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1/24/89

The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

# International Economic Scoreboard

A Monthly Report from The Conference Board — October 1988

## GLOBAL BUSINESS EXPANSION CONTINUES
### Ho Hum!


## SUMMARY

*Worldwide,* the cyclical expansion continues to show steady forward movement, at a pace that seems healthy without being exuberant.

*Regionally,* the only index that shows a signal different from the general pattern is the leading index for North America, which as of July appears to be stalling. Later data for the United States, however, shows moderate expansion persisting, so despite the sluggishness in Canada the July figure appears to be a fluke.

*Nationally,* Taiwan with a 17 percent growth rate for its leading index and Korea at 13 percent are showing brighter prospects for vigorous expansion than the other eight countries. Canada is the only country with a sluggish pattern in its leading index.

*Interpretation:* The moderate steady economic advance seen virtually everywhere has been going on so long it actually seems a bit boring, but a more reasonable conclusion is that economic prospects continue to be favorable. None of the industrial countries is building up an excessive head of steam, and none is running out of steam either.


**Summary Of Growth Rates, Ten Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 6 | 5 | 5 | 4 | 3 | 3 | Expansion continuing | July |
| 9 countries excl. U.S. | 3 | 6 | 6 | 5 | 5 | 4 | 6 | Expansion continuing | July |
| North America (2) | 3 | 5 | 5 | 4 | 3 | 2 | 0 | Expansion continuing, leaders weak | July |
| Europe (4) | 2 | 5 | 5 | 4 | 2 | 3 | 5 | Expansion continuing | July |
| Pacific Region (4) | 4 | 8 | 7 | 6 | 9 | 5 | 7 | Expansion continuing | July |
| United States | 3 | 6 | 5 | 3 | 3 | 0 | 2 | Expansion continuing | Aug. |
| Canada | 3 | 7 | 5 | 3 | 6 | 4 | 1 | Expansion continuing, leaders weak | July |
| West Germany | 2 | 4 | 3 | 5 | 5 | 5 | 6 | Expansion continuing | Aug./July |
| France | 2 | 7 | 7 | 6 | 4 | 5 | 7 | Expansion continuing | June/Aug. |
| United Kingdom | 2 | 6 | 5 | 5 | 1 | 1 | 3 | Expansion continuing, | July |
| Italy | 2 | 3 | 5 | 6 | -2 | 1 | 4 | Expansion continuing | Apr./July |
| Japan | 4 | 8 | 7 | 5 | 9 | 4 | 6 | Expansion continuing | July |
| Australia | 3 | 6 | 4 | 10 | 3 | 6 | 8 | Expansion continuing | July |
| Taiwan, R.O.C. | 8 | 10 | 3 | 9 | 11 | 14 | 17 | Expansion continuing, leaders strong | Aug. |
| Korea, R.O.K. | 7 | 18 | 11 | 3 | 16 | 8 | 13 | Expansion continuing, leaders strong | July |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**
845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 115 | 122 | 117 | 120 | 114 | 123 | 109 | 115 | 129 | 130 |
| F | 87 | 116 | 123 | 117 | 121 | 116 | 126 | 109 | 115 | 129 | 131 |
| Mar. | 87 | 116 | 125 | 117 | 123 | 116 | 127 | 110 | 116 | 130 | 136 |
| [illegible] | 87 | 117 | 127 | 118 | 126 | 116 | 128 | 110 | 116 | 129 | 141 |
| [illegible] | 87 | 117 | 128 | 118 | 127 | 116 | 128 | 110 | 116 | 129 | 146 |
| June | 87 | 118 | 131 | 118 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 118 | 132 | 119 | 132 | 118 | 131 | 111 | 118 | 132 | 156 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 132 | 163 |
| Sept. | 87 | 120 | 133 | 120 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 160 |
| Nov. | 87 | 121 | 131 | 122 | 132 | 120 | 131 | 113 | 117 | 135 | 157 |
| Dec. | 87 | 122 | 132 | 122 | 132 | 121 | 131 | 114 | 117 | 136 | 156 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 118 | 137 | 156 |
| Feb. | 88 | 123 | 132 | 124 | 132 | 122 | 132 | 115 | 119 | 140 | 155 |
| Mar. | 88 | 124 | 133 | 125 | 133 | 122 | 132 | 115 | 120 | 140 | 157 |
| Apr. | 88 | 124 | 133 | 124 | 134 | 123 | 132 | 115 | 119 | 139 | 159 |
| May | 88 | 124 | 134 | 125 | 135 | 123 | 131 | 116 | 120 | 139 | 160 |
| June | 88 | 125 | 136 | 126 | 136 | 124 | 135 | 116 | 121 | 141 | 163 |
| July | 88 | 125 | 135 | 126 | 137 | 124 | 132 | 116 | 122 | 141 | 164 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 3 | 6 | 3 | 8 | 2 | 3 | 3 | 4 | 5 | 17 |
| 4 | 8 | 4 | 9 | 4 | 7 | 3 | 4 | 4 | 17 |
| 4 | 10 | 4 | 11 | 4 | 8 | 3 | 4 | 4 | 22 |
| 4 | 11 | 4 | 13 | 4 | 9 | 4 | 5 | 3 | 28 |
| 3 | 12 | 3 | 14 | 4 | 8 | 4 | 4 | 2 | 31 |
| 4 | 15 | 4 | 17 | 4 | 11 | 4 | 5 | 4 | 38 |
| 5 | 15 | 5 | 18 | 5 | 10 | 4 | 6 | 6 | 39 |
| 5 | 15 | 5 | 19 | 6 | 9 | 4 | 4 | 5 | 43 |
| 5 | 13 | 5 | 16 | 5 | 8 | 4 | 4 | 6 | 35 |
| 6 | 10 | 6 | 12 | 6 | 7 | 5 | 3 | 7 | 27 |
| 6 | 6 | 6 | 8 | 6 | 4 | 5 | 1 | 7 | 17 |
| 6 | 5 | 6 | 6 | 6 | 3 | 5 | 1 | 8 | 12 |
| 6 | 4 | 6 | 5 | 5 | 3 | 5 | 2 | 8 | 9 |
| 7 | 4 | 8 | 4 | 6 | 3 | 6 | 3 | 10 | 5 |
| 7 | 3 | 7 | 4 | 6 | 3 | 6 | 4 | 9 | 4 |
| 5 | 3 | 6 | 4 | 5 | 2 | 5 | 3 | 7 | 5 |
| 5 | 2 | 5 | 4 | 5 | 0 | 4 | 3 | 5 | 4 |
| 6 | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 7 | 6 |
| 5 | 3 | 5 | 6 | 4 | 0 | 4 | 5 | 6 | 7 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-88

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 114 | 124 | 118 | 117 | 108 | 113 | 113 | 117 | 106 | 115 | 107 | 115 | 127 | 128 | 119 | 116 | 158 | 169 | 172 | 171 |
| Feb. | 87 | 115 | 127 | 119 | 118 | 108 | 114 | 114 | 117 | 107 | 115 | 107 | 115 | 127 | 129 | 120 | 116 | 162 | 174 | 176 | 181 |
| Mar. | 87 | 115 | 128 | 120 | 119 | 109 | 114 | 114 | 118 | 107 | 116 | 107 | 116 | 127 | 135 | 120 | 117 | 160 | 174 | 179 | 180 |
| Apr. | 87 | 116 | 129 | 121 | 120 | 109 | 114 | 115 | 120 | 108 | 116 | 108 | 116 | 127 | 141 | 121 | 118 | 163 | 180 | 178 | 182 |
| May | 87 | 116 | 129 | 122 | 120 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 146 | 122 | 120 | 163 | 181 | 179 | 183 |
| June | 87 | 117 | 132 | 122 | 121 | 110 | 115 | 116 | 120 | 108 | 116 | 108 | 116 | 128 | 154 | 123 | 120 | 165 | 182 | 182 | 188 |
| July | 87 | 117 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 109 | 119 | 108 | 116 | 129 | 158 | 125 | 121 | 168 | 183 | 182 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 122 | 110 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 166 | 124 | 122 | 170 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 116 | 118 | 122 | 110 | 117 | 108 | 115 | 131 | 164 | 125 | 123 | 171 | 192 | 187 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 116 | 119 | 122 | 111 | 117 | 109 | 115 | 132 | 162 | 125 | 123 | 171 | 194 | 185 | 188 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 115 | 119 | 121 | 111 | 116 | 109 | 115 | 132 | 158 | 124 | 122 | 171 | 192 | 190 | 195 |
| Dec. | 87 | 121 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 109 | 114 | 134 | 157 | 127 | 123 | 170 | 193 | 195 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 118 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 157 | 127 | 122 | 168 | 192 | 200 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 124 | 112 | 120 | 121 | 123 | 113 | 117 | 112 | 115 | 137 | 156 | 128 | 123 | 175 | 197 | 204 | 201 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 119 | 122 | 124 | 114 | 117 | 112 | 116 | 137 | 157 | 130 | 125 | 171 | 201 | 204 | 206 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 120 | 122 | 124 | 114 | 117 | 113 | 116 | 136 | 160 | 128 | 126 | 171 | 202 | 200 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 120 | 122 | 125 | 114 | 118 | | 116 | 136 | 160 | 128 | 128 | 172 | 206 | 196 | 202 |
| June | 88 | 123 | 136 | 128 | 126 | 114 | 120 | 123 | 128 | 114 | 119 | | 118 | 138 | 163 | 132 | 128 | 174 | 206 | 200 | 210 |
| July | 88 | 123 | 132 | 128 | 125 | 113 | 121 | | 127 | 115 | 119 | | 118 | 138 | 165 | 134 | 129 | 176 | 209 | 197 | 211 |
| Aug. | 88 | 123 | 134 | | | 115 | | | 128 | | | | | | | | | 180 | 215 | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | |
| Jan. | 87 | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 5 | 4 | 5 | 2 | 2 | 4 | 19 | 0 | 7 | 13 | 12 | 14 | 10 |
| Feb. | 87 | 4 | 7 | 4 | 4 | 3 | 4 | 4 | 4 | 5 | 5 | 1 | 2 | 3 | 18 | 3 | 7 | 15 | 15 | 15 | 20 |
| Mar. | 87 | 4 | 8 | 4 | 5 | 2 | 3 | 4 | 5 | 4 | 5 | 1 | 3 | 3 | 25 | 2 | 8 | 11 | 13 | 17 | 15 |
| Apr. | 87 | 4 | 9 | 5 | 6 | 3 | 4 | 5 | 7 | 5 | 5 | 2 | 4 | 2 | 31 | 3 | 9 | 13 | 18 | 13 | 15 |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 7 | 5 | 6 | 2 | 2 | 1 | 35 | 4 | 10 | 11 | 17 | 12 | 13 |
| June | 87 | 4 | 11 | 6 | 6 | 3 | 4 | 5 | 6 | 5 | 5 | 2 | 3 | 3 | 44 | 6 | 8 | 11 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 6 | 5 | 6 | 6 | 8 | 1 | 2 | 5 | 45 | 8 | 8 | 12 | 14 | 12 | 16 |
| Aug. | 87 | 5 | 9 | 6 | 6 | 4 | 6 | 5 | 6 | 6 | 4 | −1 | −1 | 5 | 50 | 6 | 9 | 13 | 16 | 9 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 39 | 7 | 10 | 12 | 20 | 13 | 20 |
| Oct. | 87 | 6 | 7 | 7 | 4 | 3 | 4 | 6 | 4 | 6 | 3 | 3 | 0 | 6 | 30 | 5 | 8 | 10 | 18 | 9 | 8 |
| Nov. | 87 | 6 | 4 | 7 | 6 | 4 | 1 | 6 | 3 | 6 | 0 | 3 | −1 | 7 | 19 | 4 | 5 | 8 | 13 | 12 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 4 | 4 | 3 | 7 | 3 | 6 | 1 | 3 | −2 | 7 | 13 | 7 | 5 | 6 | 12 | 16 | 15 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 5 | 7 | 3 | 6 | 1 | 5 | −2 | 8 | 9 | 6 | 3 | 3 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 7 | 7 | 4 | 6 | 1 | 6 | −1 | 10 | 4 | 7 | 4 | 10 | 11 | 20 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 6 | 4 | 5 | 7 | 5 | 6 | 1 | 6 | 1 | 9 | 3 | 8 | 6 | 3 | 14 | 18 | 15 |
| Apr. | 88 | 6 | 2 | 5 | 4 | 3 | 5 | 6 | 3 | 5 | 1 | 6 | 1 | 7 | 4 | 4 | 6 | 3 | 13 | 11 | 8 |
| May | 88 | 5 | 0 | 5 | 3 | 3 | 4 | 6 | 5 | 5 | 2 | | 2 | 6 | 3 | 4 | 8 | 3 | 14 | 6 | 8 |
| June | 88 | 5 | 5 | 5 | 4 | 4 | 4 | 6 | 8 | 4 | 3 | | 4 | 7 | 5 | 9 | 8 | 4 | 12 | 7 | 14 |
| July | 88 | 4 | 0 | 4 | 1 | 2 | 6 | | 7 | 5 | 3 | | 4 | 5 | 6 | 10 | 8 | 6 | 13 | 3 | 13 |
| Aug. | 88 | 3 | 2 | | | 5 | | | 7 | | | | | | | | | 9 | 17 | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

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*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** — **November 1988**

## CYCLICAL INDEXES POINT TO FURTHER GAINS
### Leaders Strengthening in Europe and Pacific Regions

### SUMMARY

*Worldwide,* the business cycle continues to expand at a sturdy pace. The leading indexes have strengthened a bit in recent months.

*Regionally,* the growth rates of the leading indexes have picked up speed recently in all three regions, but most noticeably in Europe and the Pacific region.

*Nationally,* the one country that sticks out like a sore thumb is Canada. Since March, Canada's economic performance index has leveled off, and its leading index has dropped a couple of points. There's no immediate explanation for this sluggishness, but it bears watching. Elsewhere, every country in Europe and the Pacific region now shows a faster growth rate than 3 months ago. At the head of the pack are those two regular sprinters, Taiwan and Korea.

*Interpretation:* The near-term outlook has improved a bit. Prospects for continued healthy cyclical expansion look favorable for every country except Canada.

**Summary Of Growth Rates, Ten Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 7 | 5 | 4 | 4 | 2 | 5 | Expansion continuing | Aug. |
| 9 countries excl. U.S. | 3 | 8 | 5 | 4 | 4 | 4 | 7 | Expansion continuing | Aug. |
| North America (2) | 3 | 6 | 5 | 4 | 3 | 0 | 3 | Expansion continuing | Aug. |
| Europe (4) | 2 | 6 | 5 | 4 | 3 | 3 | 6 | Expansion continuing | Aug. |
| Pacific Region (4) | 4 | 10 | 5 | 5 | 5 | 4 | 8 | Expansion continuing | Aug. |
| United States | 3 | 6 | 5 | 4 | 3 | 5 | 4 | Expansion continuing | Sept. |
| Canada | 3 | 6 | 5 | 3 | 5 | 3 | 0 | Expansion continuing, leaders weak | Aug. |
| West Germany | 2 | 4 | 4 | 3 | 7 | 4 | 6 | Expansion continuing | Sept./Aug. |
| France | 2 | 7 | 6 | 5 | 5 | 8 | 9 | Expansion continuing | Aug./Sept. |
| United Kingdom | 2 | 6 | 4 | 4 | 1 | 2 | 4 | Expansion continuing, | Sept./Aug. |
| Italy | 2 | 5 | 7 | 7 | -1 | 2 | 5 | Expansion continuing | July/Aug. |
| Japan | 4 | 10 | 6 | 4 | 4 | 3 | 7 | Expansion continuing | Aug. |
| Australia | 3 | 7 | 4 | 7 | 4 | 8 | 9 | Expansion continuing | Aug. |
| Taiwan, R.O.C. | 8 | 3 | 4 | 8 | 14 | 12 | 16 | Expansion continuing, leaders strong | Sept. |
| Korea, R.O.K. | 7 | 20 | 7 | 8 | 13 | 8 | 15 | Expansion continuing, leaders strong | Aug. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 116 | 122 | 117 | 120 | 114 | 123 | 109 | 115 | 129 | 130 |
| Feb | 87 | 116 | 123 | 117 | 121 | 116 | 126 | 109 | 115 | 129 | 131 |
| Mar. | 87 | 116 | 125 | 117 | 123 | 116 | 127 | 110 | 116 | 130 | 136 |
| Apr. | 87 | 117 | 127 | 118 | 126 | 116 | 128 | 110 | 116 | 129 | 141 |
| May | 87 | 117 | 128 | 118 | 127 | 117 | 128 | 110 | 116 | 129 | 146 |
| June | 87 | 118 | 131 | 118 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 119 | 132 | 119 | 132 | 118 | 131 | 111 | 118 | 132 | 156 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 132 | 163 |
| Sept. | 87 | 120 | 133 | 120 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 160 |
| Nov. | 87 | 121 | 131 | 122 | 132 | 120 | 130 | 113 | 117 | 135 | 157 |
| Dec. | 87 | 122 | 132 | 122 | 132 | 121 | 131 | 114 | 117 | 136 | 158 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 118 | 137 | 158 |
| Feb. | 88 | 123 | 132 | 124 | 132 | 122 | 132 | 115 | 119 | 140 | 155 |
| Mar. | 88 | 124 | 133 | 125 | 133 | 122 | 132 | 115 | 120 | 140 | 157 |
| Apr. | 88 | 124 | 133 | 125 | 134 | 123 | 132 | 115 | 119 | 139 | 159 |
| May | 88 | 124 | 134 | 125 | 135 | 123 | 131 | 116 | 120 | 139 | 160 |
| June | 88 | 125 | 136 | 126 | 136 | 124 | 135 | 117 | 121 | 141 | 163 |
| July | 88 | 125 | 135 | 126 | 137 | 124 | 132 | 117 | 122 | 141 | 164 |
| Aug. | 88 | 125 | 137 | 126 | 138 | 124 | 134 | 117 | 123 | 141 | 166 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 3 | 6 | 3 | 8 | 2 | 3 | 3 | 4 | 5 | 17 |
| 4 | 8 | 4 | 9 | 4 | 7 | 3 | 4 | 4 | 17 |
| 4 | 10 | 4 | 11 | 4 | 8 | 3 | 4 | 4 | 22 |
| 4 | 11 | 4 | 13 | 4 | 9 | 4 | 5 | 3 | 28 |
| 4 | 12 | 3 | 14 | 4 | 8 | 4 | 4 | 2 | 31 |
| 4 | 15 | 4 | 17 | 5 | 11 | 4 | 5 | 4 | 38 |
| 5 | 15 | 5 | 18 | 5 | 10 | 4 | 6 | 6 | 39 |
| 5 | 15 | 5 | 19 | 5 | 9 | 4 | 4 | 5 | 43 |
| 5 | 13 | 5 | 16 | 5 | 8 | 4 | 4 | 6 | 35 |
| 6 | 10 | 6 | 12 | 6 | 7 | 5 | 3 | 7 | 27 |
| 6 | 6 | 6 | 8 | 6 | 4 | 5 | 1 | 7 | 17 |
| 6 | 5 | 6 | 6 | 6 | 3 | 5 | 1 | 8 | 12 |
| 6 | 4 | 6 | 5 | 5 | 3 | 5 | 2 | 8 | 9 |
| 7 | 4 | 8 | 4 | 6 | 3 | 6 | 3 | 10 | 5 |
| 7 | 3 | 7 | 4 | 6 | 3 | 6 | 4 | 9 | 4 |
| 5 | 3 | 6 | 4 | 5 | 2 | 5 | 3 | 7 | 5 |
| 5 | 2 | 5 | 4 | 5 | 0 | 5 | 3 | 5 | 4 |
| 6 | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 7 | 6 |
| 5 | 4 | 5 | 6 | 4 | 1 | 5 | 5 | 6 | 7 |
| 4 | 5 | 4 | 7 | 4 | 3 | 4 | 6 | 5 | 8 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-88

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 114 | 124 | 118 | 117 | 108 | 113 | 113 | 117 | 106 | 115 | 107 | 115 | 127 | 128 | 119 | 116 | 158 | 169 | 172 | 171 |
| Feb. | 87 | 115 | 127 | 119 | 118 | 108 | 114 | 114 | 117 | 107 | 115 | 107 | 115 | 127 | 129 | 120 | 116 | 162 | 174 | 178 | 181 |
| Mar. | 87 | 116 | 128 | 120 | 119 | 109 | 114 | 114 | 118 | 107 | 116 | 107 | 115 | 127 | 135 | 120 | 118 | 160 | 174 | 178 | 180 |
| Apr. | 87 | 116 | 129 | 121 | 120 | 109 | 114 | 115 | 120 | 108 | 116 | 108 | 116 | 127 | 141 | 121 | 118 | 163 | 180 | 178 | 182 |
| May | 87 | 116 | 129 | 122 | 120 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 146 | 122 | 120 | 163 | 181 | 180 | 183 |
| June | 87 | 117 | 132 | 122 | 121 | 110 | 115 | 116 | 120 | 108 | 116 | 108 | 116 | 128 | 154 | 123 | 120 | 165 | 182 | 182 | 188 |
| July | 87 | 118 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 109 | 119 | 108 | 116 | 129 | 158 | 125 | 121 | 168 | 183 | 183 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 122 | 110 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 166 | 124 | 122 | 170 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 116 | 118 | 122 | 110 | 117 | 108 | 115 | 131 | 164 | 125 | 123 | 171 | 192 | 186 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 116 | 119 | 122 | 111 | 117 | 109 | 115 | 132 | 162 | 125 | 123 | 171 | 194 | 186 | 188 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 115 | 119 | 121 | 111 | 116 | 109 | 115 | 132 | 158 | 124 | 122 | 171 | 192 | 190 | 195 |
| Dec. | 87 | 120 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 110 | 114 | 134 | 157 | 127 | 123 | 170 | 193 | 195 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 118 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 157 | 127 | 122 | 168 | 192 | 199 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 124 | 112 | 120 | 121 | 123 | 113 | 117 | 112 | 115 | 137 | 156 | 128 | 123 | 175 | 197 | 203 | 201 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 119 | 122 | 124 | 113 | 117 | 112 | 116 | 137 | 157 | 130 | 125 | 171 | 201 | 204 | 206 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 120 | 122 | 124 | 114 | 117 | 113 | 116 | 136 | 160 | 128 | 126 | 171 | 202 | 200 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 120 | 122 | 125 | 114 | 118 | 113 | 116 | 136 | 160 | 128 | 128 | 172 | 206 | 198 | 202 |
| June | 88 | 123 | 136 | 128 | 126 | 114 | 120 | 124 | 128 | 114 | 119 | 114 | 118 | 138 | 163 | 132 | 128 | 174 | 206 | 200 | 210 |
| July | 88 | 123 | 133 | 128 | 124 | 113 | 121 | 124 | 127 | 115 | 119 | 115 | 118 | 138 | 165 | 133 | 128 | 176 | 209 | 198 | 211 |
| Aug. | 88 | 123 | 135 | 128 | 124 | 115 | 122 | 124 | 128 | 116 | 120 | | 119 | 138 | 167 | 132 | 131 | 180 | 215 | 203 | 215 |
| Sept. | 88 | 124 | 135 | | | 114 | | | 130 | 116 | | | | | | | | 180 | 216 | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | |
| Jan. | 87 | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 5 | 4 | 5 | 2 | 2 | 4 | 19 | 0 | 7 | 13 | 12 | 13 | 10 |
| Feb. | 87 | 4 | 7 | 4 | 4 | 3 | 4 | 4 | 4 | 5 | 5 | 1 | 2 | 3 | 18 | 3 | 7 | 15 | 15 | 16 | 20 |
| Mar. | 87 | 4 | 8 | 4 | 5 | 2 | 3 | 4 | 5 | 4 | 5 | 1 | 3 | 3 | 25 | 2 | 8 | 11 | 13 | 16 | 15 |
| Apr. | 87 | 4 | 9 | 5 | 7 | 3 | 4 | 5 | 7 | 5 | 5 | 2 | 4 | 2 | 31 | 3 | 9 | 13 | 18 | 13 | 15 |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 7 | 5 | 6 | 2 | 2 | 1 | 35 | 4 | 10 | 11 | 17 | 13 | 13 |
| June | 87 | 4 | 11 | 6 | 6 | 3 | 4 | 5 | 6 | 5 | 5 | 2 | 3 | 3 | 44 | 6 | 8 | 11 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 6 | 5 | 6 | 6 | 8 | 1 | 2 | 5 | 45 | 8 | 8 | 12 | 14 | 12 | 16 |
| Aug. | 87 | 5 | 9 | 6 | 6 | 4 | 6 | 5 | 6 | 6 | 4 | 0 | -1 | 5 | 50 | 6 | 9 | 13 | 16 | 8 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 39 | 7 | 10 | 12 | 20 | 13 | 20 |
| Oct. | 87 | 6 | 7 | 7 | 4 | 3 | 4 | 6 | 4 | 6 | 3 | 3 | 0 | 6 | 30 | 5 | 8 | 10 | 18 | 10 | 8 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 1 | 6 | 3 | 6 | 0 | 3 | -1 | 7 | 19 | 4 | 5 | 8 | 13 | 12 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 4 | 4 | 3 | 7 | 3 | 6 | 1 | 3 | -2 | 7 | 13 | 7 | 5 | 6 | 12 | 16 | 15 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 5 | 7 | 3 | 6 | 1 | 5 | -2 | 8 | 9 | 6 | 3 | 3 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 7 | 7 | 4 | 6 | 1 | 6 | -1 | 10 | 4 | 7 | 4 | 10 | 11 | 20 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 6 | 4 | 5 | 7 | 5 | 6 | 1 | 7 | 1 | 9 | 3 | 8 | 6 | 3 | 14 | 17 | 15 |
| Apr. | 88 | 6 | 1 | 5 | 4 | 3 | 5 | 6 | 3 | 5 | 1 | 7 | 1 | 7 | 4 | 4 | 6 | 3 | 13 | 11 | 8 |
| May | 88 | 5 | 0 | 5 | 3 | 3 | 4 | 6 | 5 | 5 | 2 | 6 | 2 | 6 | 3 | 4 | 8 | 3 | 14 | 7 | 8 |
| June | 88 | 5 | 5 | 4 | 4 | 4 | 4 | 6 | 8 | 4 | 3 | 7 | 4 | 7 | 5 | 9 | 8 | 4 | 12 | 7 | 14 |
| July | 88 | 5 | 1 | 3 | 1 | 2 | 6 | 6 | 7 | 5 | 3 | 7 | 5 | 5 | 6 | 9 | 7 | 6 | 13 | 4 | 13 |
| Aug. | 88 | 4 | 3 | 3 | 0 | 5 | 6 | 5 | 7 | 5 | 4 | | 5 | 4 | 7 | 7 | 9 | 9 | 17 | 8 | 15 |
| Sept. | 88 | 4 | 4 | | | 3 | | | 9 | 4 | | | | | | | | 8 | 16 | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

R4105-6

The Conference Board

*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

A Monthly Report from The Conference Board — December 1988

## CYCLICAL INDEXES PLOW FORWARD
## —Further Expansion Seen for Industrial World

### SUMMARY

*Worldwide,* economic activity continues to advance. The pace is routine overall, but no faltering is in sight.

*Regionally,* the direction is up in all areas, but more slowly in North America.

*Nationally,* the advance in the leading indexes is ebullient in Taiwan, strong in Korea, Australia and France, and so-so elsewhere. The indexes for Canada, which looked completely flat a month ago, have a slightly healthier appearance this month.

*Interpretation:* Nowhere among the latest growth rates is a negative number to be found. As we look ahead into 1989, therefore, the steady expansion beat rolls on.

**Summary Of Growth Rates, Ten Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 7 | 6 | 4 | 4 | 4 | 4 | Expansion continuing | Sept. |
| 9 countries excl. U.S. | 3 | 7 | 6 | 4 | 4 | 5 | 5 | Expansion continuing | Sept. |
| North America (2) | 3 | 6 | 5 | 4 | 3 | 4 | 2 | Expansion continuing | Sept. |
| Europe (4) | 2 | 6 | 5 | 4 | 3 | 4 | 5 | Expansion continuing | Sept. |
| Pacific Region (4) | 4 | 9 | 7 | 5 | 5 | 5 | 6 | Expansion continuing | Sept. |
| United States | 3 | 5 | 5 | 5 | 2 | 0 | 2 | Expansion continuing | Oct. |
| Canada | 3 | 6 | 5 | 4 | 6 | 4 | 2 | Expansion continuing | Sept. |
| West Germany | 2 | 3 | 3 | 2 | 5 | 4 | 4 | Expansion continuing | Oct./Sept. |
| France | 2 | 7 | 6 | 6 | 5 | 7 | 8 | Expansion continuing | Sept. |
| United Kingdom | 2 | 6 | 4 | 4 | 1 | 3 | 1 | Expansion continuing, | Sept. |
| Italy | 2 | 6 | 7 | 7 | 1 | 2 | 5 | Expansion continuing | July/Sept. |
| Japan | 4 | 9 | 7 | 4 | 3 | 4 | 5 | Expansion continuing | Sept. |
| Australia | 3 | 5 | 8 | 9 | 6 | 9 | 8 | Expansion continuing | Oct./Sept. |
| Taiwan, R.O.C. | 8 | 3 | 6 | 5 | 13 | 13 | 15 | Expansion continuing, leaders strong | Oct. |
| Korea, R.O.K. | 7 | 17 | 7 | 6 | 15 | 12 | 9 | Expansion continuing | Sept. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**
845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 116 | 122 | 117 | 120 | 114 | 123 | 109 | 115 | 129 | 130 |
| Feb. | 87 | 116 | 123 | 117 | 121 | 116 | 126 | 109 | 115 | 129 | 131 |
| Mar. | 87 | 116 | 125 | 117 | 123 | 116 | 127 | 110 | 116 | 130 | 136 |
| Apr. | 87 | 117 | 127 | 118 | 126 | 116 | 128 | 110 | 116 | 129 | 141 |
| May | 87 | 117 | 128 | 118 | 127 | 117 | 128 | 110 | 116 | 129 | 146 |
| June | 87 | 118 | 131 | 119 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 119 | 132 | 119 | 132 | 118 | 131 | 111 | 118 | 132 | 156 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 132 | 163 |
| Sept. | 87 | 120 | 133 | 120 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 160 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 130 | 113 | 117 | 135 | 158 |
| Dec. | 87 | 122 | 132 | 122 | 132 | 121 | 131 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 118 | 137 | 156 |
| Feb. | 88 | 123 | 132 | 124 | 132 | 122 | 132 | 115 | 119 | 140 | 155 |
| Mar. | 88 | 124 | 133 | 125 | 133 | 122 | 132 | 116 | 120 | 140 | 157 |
| Apr. | 88 | 124 | 133 | 125 | 134 | 123 | 132 | 115 | 119 | 139 | 159 |
| May | 88 | 124 | 134 | 125 | 135 | 123 | 131 | 116 | 120 | 139 | 160 |
| June | 88 | 125 | 136 | 126 | 136 | 124 | 134 | 117 | 121 | 141 | 163 |
| July | 88 | 125 | 135 | 126 | 137 | 124 | 132 | 117 | 122 | 141 | 164 |
| Aug. | 88 | 125 | 136 | 126 | 138 | 124 | 133 | 117 | 122 | 141 | 166 |
| Sept. | 88 | 126 | 136 | 127 | 138 | 124 | 133 | 117 | 122 | 142 | 165 |

| | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Growth Rates, Percent | | | | | | | | | |
| | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| | 3 | 6 | 3 | 8 | 2 | 3 | 3 | 4 | 5 | 16 |
| | 4 | 8 | 4 | 9 | 4 | 7 | 3 | 4 | 4 | 17 |
| | 4 | 10 | 4 | 11 | 4 | 8 | 3 | 4 | 4 | 22 |
| | 4 | 11 | 4 | 13 | 4 | 9 | 4 | 5 | 3 | 27 |
| | 4 | 12 | 3 | 14 | 4 | 8 | 4 | 4 | 2 | 31 |
| | 4 | 15 | 4 | 17 | 5 | 11 | 4 | 5 | 4 | 38 |
| | 5 | 15 | 5 | 18 | 5 | 10 | 4 | 6 | 6 | 39 |
| | 5 | 15 | 5 | 19 | 5 | 9 | 4 | 4 | 5 | 43 |
| | 5 | 13 | 5 | 16 | 5 | 8 | 4 | 4 | 6 | 35 |
| | 6 | 10 | 6 | 12 | 6 | 7 | 5 | 3 | 7 | 27 |
| | 6 | 6 | 6 | 8 | 6 | 4 | 5 | 1 | 7 | 18 |
| | 6 | 5 | 6 | 6 | 6 | 3 | 5 | 1 | 8 | 13 |
| | 6 | 4 | 6 | 5 | 5 | 3 | 5 | 3 | 8 | 9 |
| | 7 | 4 | 8 | 4 | 6 | 3 | 6 | 3 | 10 | 5 |
| | 7 | 4 | 7 | 4 | 6 | 3 | 6 | 3 | 9 | 5 |
| | 6 | 3 | 6 | 3 | 5 | 2 | 5 | 3 | 7 | 4 |
| | 5 | 2 | 5 | 4 | 5 | 0 | 5 | 3 | 5 | 4 |
| | 6 | 4 | 6 | 5 | 5 | 4 | 5 | 4 | 7 | 5 |
| | 5 | 3 | 5 | 5 | 4 | 1 | 5 | 5 | 6 | 6 |
| | 4 | 5 | 4 | 6 | 4 | 2 | 4 | 5 | 5 | 8 |
| | 4 | 4 | 4 | 5 | 4 | 2 | 4 | 5 | 5 | 6 |
| | Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-88

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 114 | 124 | 118 | 117 | 108 | 113 | 113 | 117 | 106 | 114 | 107 | 115 | 127 | 128 | 119 | 116 | 158 | 169 | 172 | 171 |
| Feb. | 87 | 115 | 127 | 119 | 118 | 108 | 114 | 114 | 117 | 107 | 115 | 107 | 115 | 127 | 129 | 120 | 116 | 162 | 174 | 176 | 181 |
| Mar. | 87 | 116 | 128 | 120 | 119 | 109 | 114 | 114 | 118 | 107 | 116 | 107 | 115 | 127 | 135 | 120 | 117 | 160 | 174 | 178 | 180 |
| Apr. | 87 | 116 | 129 | 121 | 120 | 109 | 114 | 115 | 120 | 108 | 116 | 108 | 116 | 127 | 140 | 121 | 118 | 163 | 180 | 178 | 182 |
| May | 87 | 116 | 129 | 122 | 120 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 146 | 122 | 120 | 164 | 181 | 180 | 183 |
| June | 87 | 117 | 132 | 122 | 121 | 110 | 115 | 116 | 120 | 108 | 116 | 108 | 116 | 128 | 154 | 123 | 120 | 166 | 182 | 182 | 188 |
| July | 87 | 118 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 109 | 118 | 108 | 116 | 129 | 158 | 125 | 121 | 168 | 183 | 183 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 122 | 110 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 166 | 124 | 122 | 170 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 116 | 118 | 122 | 110 | 117 | 108 | 115 | 131 | 164 | 125 | 123 | 171 | 192 | 186 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 116 | 119 | 122 | 111 | 117 | 109 | 115 | 132 | 162 | 125 | 123 | 171 | 194 | 186 | 188 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 115 | 119 | 121 | 111 | 116 | 109 | 114 | 132 | 159 | 124 | 122 | 171 | 192 | 190 | 195 |
| Dec. | 87 | 120 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 110 | 114 | 134 | 158 | 127 | 123 | 171 | 193 | 195 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 124 | 112 | 118 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 157 | 127 | 122 | 169 | 192 | 199 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 124 | 112 | 120 | 121 | 123 | 113 | 117 | 112 | 115 | 137 | 156 | 128 | 123 | 176 | 197 | 203 | 201 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 119 | 122 | 124 | 113 | 117 | 113 | 116 | 137 | 157 | 130 | 125 | 171 | 201 | 204 | 206 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 120 | 122 | 123 | 114 | 117 | 113 | 116 | 136 | 159 | 128 | 126 | 172 | 202 | 200 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 120 | 122 | 125 | 114 | 118 | 113 | 116 | 136 | 160 | 128 | 128 | 172 | 206 | 198 | 202 |
| June | 88 | 123 | 135 | 129 | 126 | 114 | 120 | 124 | 127 | 114 | 119 | 114 | 116 | 138 | 163 | 131 | 129 | 174 | 206 | 200 | 208 |
| July | 88 | 123 | 133 | 129 | 124 | 113 | 122 | 124 | 127 | 115 | 119 | 115 | 118 | 138 | 165 | 132 | 129 | 177 | 209 | 198 | 209 |
| Aug. | 88 | 124 | 134 | 129 | 125 | 115 | 122 | 124 | 127 | 115 | 120 | | 118 | 138 | 167 | 132 | 131 | 181 | 215 | 203 | 213 |
| Sept. | 88 | 124 | 134 | 130 | 125 | 114 | 122 | 125 | 129 | 115 | 118 | | 119 | 138 | 165 | 135 | 130 | 181 | 217 | 203 | 211 |
| Oct. | 88 | 125 | 134 | | | 114 | | | | | | | | | | 135 | | 179 | 218 | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | |
| Jan. | 87 | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 5 | 3 | 5 | 2 | 2 | 4 | 18 | 0 | 7 | 13 | 12 | 13 | 10 |
| Feb. | 87 | 4 | 7 | 4 | 4 | 3 | 4 | 4 | 4 | 5 | 5 | 1 | 3 | 3 | 18 | 3 | 7 | 15 | 15 | 16 | 20 |
| Mar. | 87 | 4 | 8 | 4 | 5 | 2 | 3 | 4 | 5 | 4 | 6 | 1 | 3 | 3 | 25 | 2 | 8 | 11 | 13 | 16 | 15 |
| Apr. | 87 | 4 | 9 | 5 | 7 | 3 | 4 | 5 | 7 | 5 | 5 | 2 | 4 | 2 | 31 | 4 | 8 | 13 | 18 | 13 | 15 |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 7 | 5 | 6 | 2 | 2 | 1 | 35 | 4 | 9 | 11 | 17 | 13 | 13 |
| June | 87 | 4 | 11 | 6 | 6 | 3 | 4 | 5 | 6 | 5 | 5 | 2 | 3 | 3 | 44 | 6 | 8 | 12 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 6 | 5 | 6 | 6 | 7 | 1 | 2 | 5 | 45 | 8 | 9 | 12 | 14 | 12 | 16 |
| Aug. | 87 | 5 | 9 | 6 | 6 | 4 | 6 | 5 | 6 | 6 | 4 | 0 | -1 | 5 | 51 | 6 | 9 | 13 | 16 | 8 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 40 | 7 | 10 | 12 | 20 | 13 | 20 |
| Oct. | 87 | 6 | 7 | 7 | 4 | 3 | 4 | 6 | 4 | 6 | 3 | 3 | 0 | 6 | 30 | 5 | 8 | 10 | 18 | 10 | 8 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 1 | 6 | 3 | 6 | 0 | 3 | -1 | 7 | 20 | 4 | 6 | 8 | 13 | 12 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 4 | 4 | 3 | 7 | 3 | 6 | 0 | 3 | -2 | 7 | 13 | 7 | 5 | 6 | 12 | 16 | 15 |
| Jan. | 88 | 5 | 3 | 6 | 6 | 3 | 5 | 7 | 3 | 6 | 2 | 6 | -2 | 8 | 9 | 6 | 3 | 3 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 7 | 7 | 4 | 6 | 0 | 7 | -1 | 10 | 4 | 7 | 4 | 10 | 11 | 20 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 6 | 4 | 5 | 7 | 5 | 6 | 1 | 7 | 1 | 9 | 3 | 8 | 6 | 3 | 14 | 17 | 15 |
| Apr. | 88 | 6 | 2 | 5 | 4 | 3 | 5 | 6 | 3 | 5 | 1 | 7 | 1 | 7 | 3 | 5 | 6 | 3 | 13 | 11 | 9 |
| May | 88 | 5 | 0 | 5 | 4 | 3 | 4 | 6 | 4 | 5 | 2 | 6 | 2 | 6 | 3 | 4 | 8 | 3 | 14 | 7 | 8 |
| June | 88 | 5 | 4 | 5 | 4 | 4 | 4 | 6 | 7 | 4 | 3 | 7 | 2 | 7 | 4 | 8 | 9 | 4 | 12 | 7 | 12 |
| July | 88 | 5 | 0 | 4 | 1 | 3 | 6 | 6 | 6 | 5 | 3 | 7 | 4 | 5 | 6 | 8 | 8 | 6 | 13 | 4 | 11 |
| Aug. | 88 | 4 | 2 | 4 | 1 | 5 | 6 | 5 | 6 | 4 | 4 | | 5 | 4 | 7 | 7 | 10 | 9 | 17 | 7 | 13 |
| Sept. | 88 | 4 | 1 | 4 | 2 | 4 | 4 | 6 | 8 | 4 | 1 | | 5 | 4 | 5 | 9 | 8 | 9 | 16 | 6 | 9 |
| Oct. | 88 | 5 | 2 | | | 2 | | | | | | | | | | 9 | | 5 | 15 | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

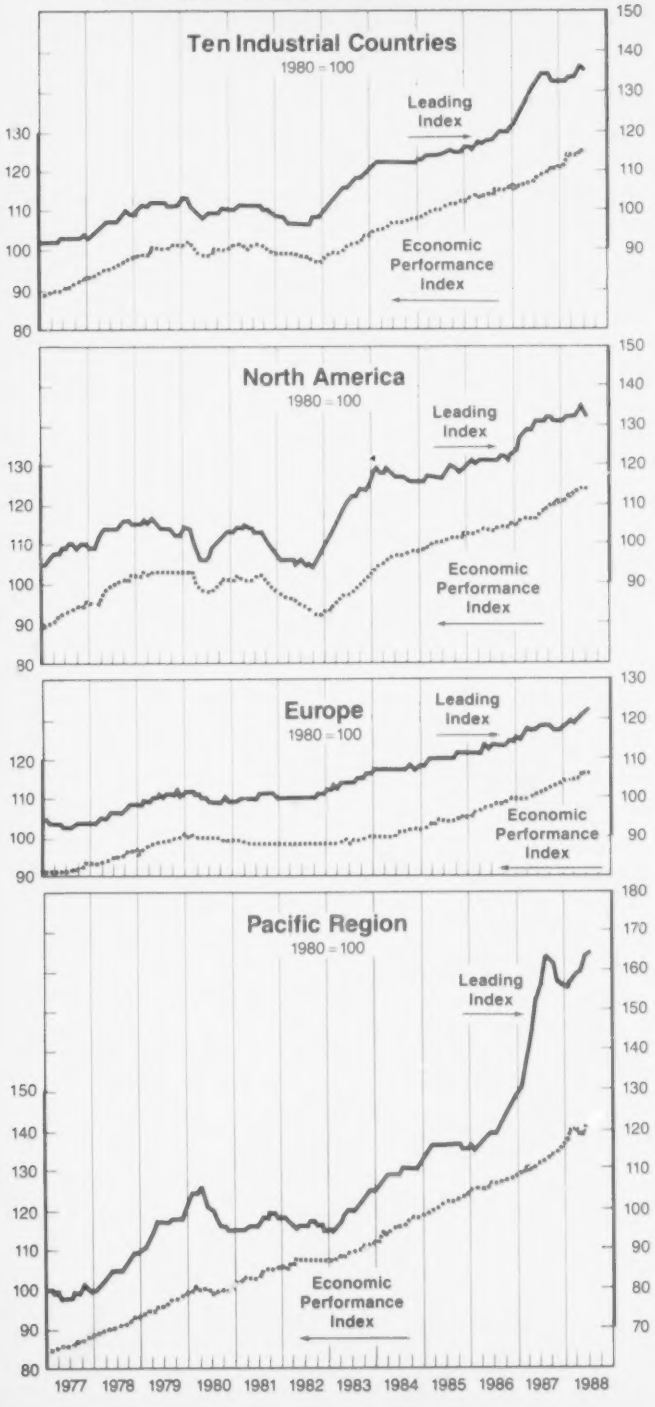
The Conference Board

*Economic and Business Environment Program*

# International Economic Scoreboard

**A Quarterly Report from The Conference Board** **Fourth Quarter**

## WORLD BUSINESS CYCLE




The global business cycle continues to show a steady forward momentum at a healthy but not headlong pace. The 10 countries taken together show growth rates of 5 percent for the economic performance index and 3 percent for the leading index. This pattern, or something close to it, has been going on so long it feels unexciting, even tedious, but it's actually quite an auspicious omen.

This favorable outlook is present in every country except Canada, where the leading index has stalled in recent months. The most spirited advance is signaled in Taiwan and Korea, with Australia not far behind.

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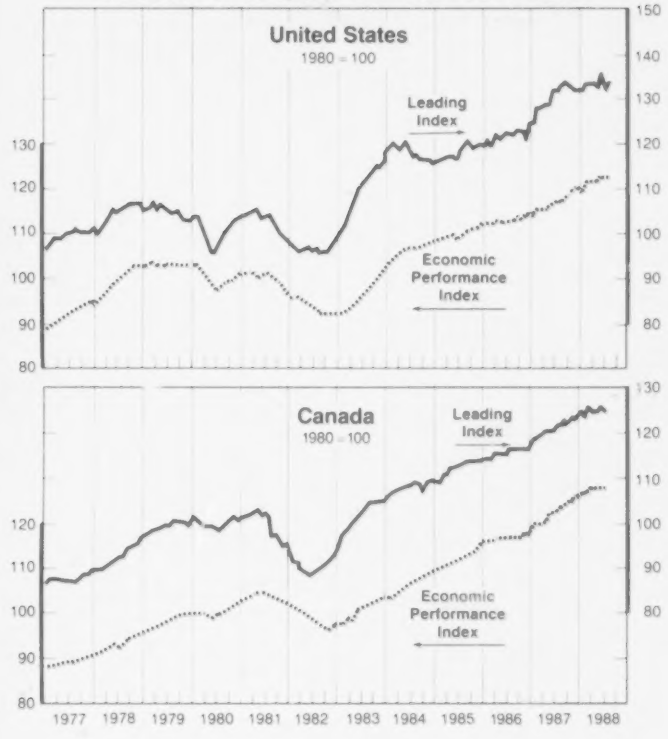
## NORTH AMERICAN COUNTRIES




The United States economy continues on the expansion path, pretty much in parallel with the rest of the world but at a slightly more prosaic pace.

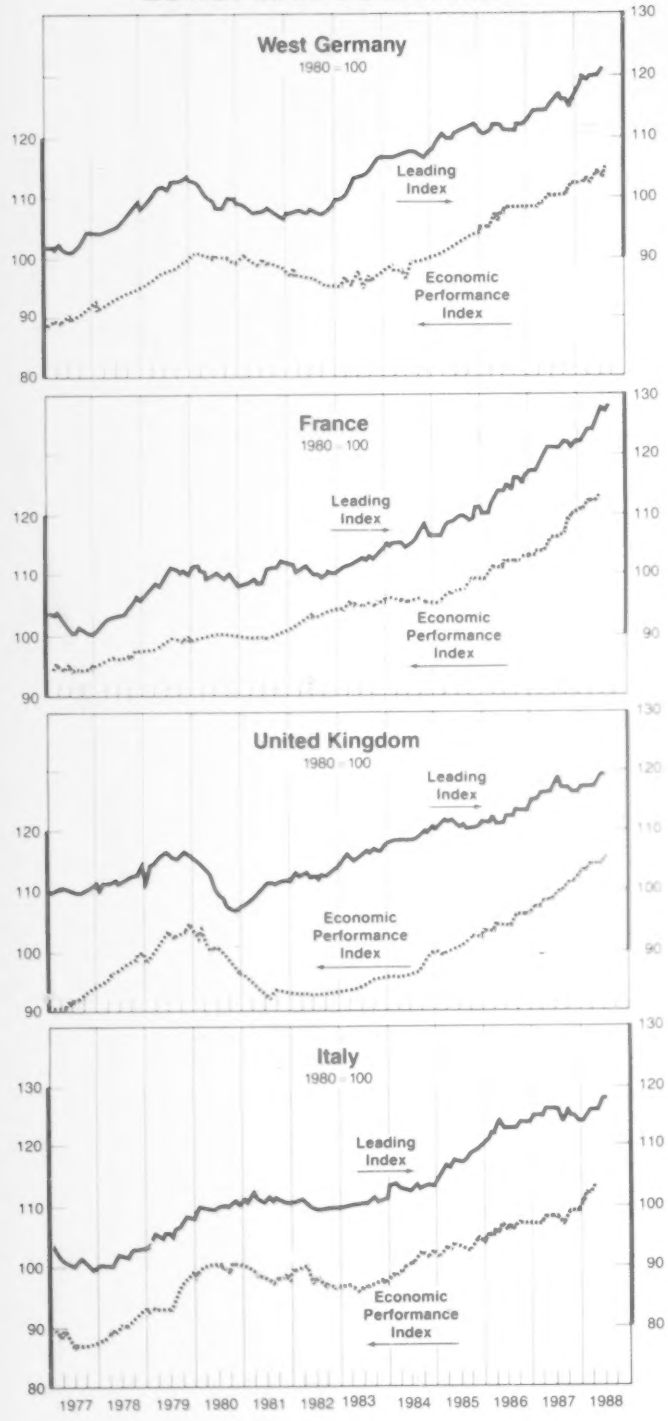
Both Canadian indexes flattened out a few months ago—the leading index as of April, the economic performance index along about June. It's still too soon to decide whether or not this pattern is more than a temporary hesitation.

### Summary Of Growth Rates, Ten Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 6 | 5 | 5 | 4 | 3 | 3 | Expansion continuing | July |
| 9 countries excl. U.S. | 3 | 6 | 6 | 5 | 5 | 4 | 6 | Expansion continuing | July |
| North America (2) | 3 | 5 | 5 | 4 | 3 | 2 | 0 | Expansion continuing, leaders weak | July |
| Europe (4) | 2 | 5 | 5 | 4 | 2 | 3 | 5 | Expansion continuing | July |
| Pacific Region (4) | 4 | 8 | 7 | 6 | 9 | 5 | 7 | Expansion continuing | July |
| United States | 3 | 6 | 5 | 3 | 3 | 0 | 2 | Expansion continuing | Aug. |
| Canada | 3 | 7 | 5 | 3 | 6 | 4 | 1 | Expansion continuing, leaders weak | July |
| West Germany | 2 | 4 | 3 | 5 | 5 | 5 | 6 | Expansion continuing | Aug./July |
| France | 2 | 7 | 7 | 6 | 4 | 5 | 7 | Expansion continuing | June/Aug. |
| United Kingdom | 2 | 6 | 5 | 5 | 1 | 1 | 3 | Expansion continuing, | July |
| Italy | 2 | 3 | 5 | 6 | -2 | 1 | 4 | Expansion continuing | Apr./July |
| Japan | 4 | 8 | 7 | 5 | 9 | 4 | 6 | Expansion continuing | July |
| Australia | 3 | 6 | 4 | 10 | 3 | 6 | 8 | Expansion continuing | July |
| Taiwan, R.O.C. | 8 | 10 | 3 | 9 | 11 | 14 | 17 | Expansion continuing, leaders strong | Aug. |
| Korea, R.O.K. | 7 | 18 | 11 | 3 | 16 | 8 | 13 | Expansion continuing, leaders strong | July |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

## EUROPEAN COUNTRIES



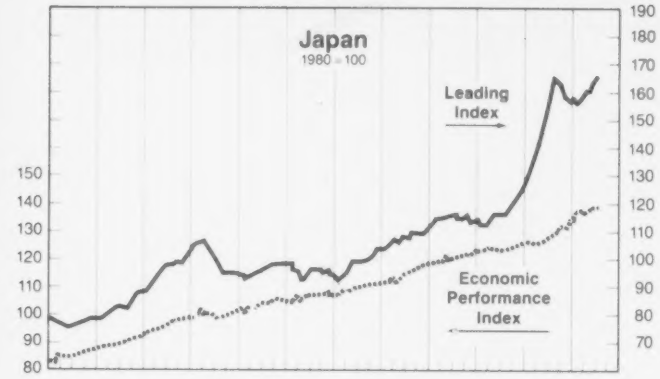

The German economy continues to look moderately robust. The economic performance index is advancing at a rate of 5 percent and the leading index has a 6 percent growth rate (as against an historical growth rate of 2 percent per year).

The French economy is moving a notch faster than West Germany, with a 6 percent growth rate for its economic performance index and a 7 percent rate for its leading index (also against a 2 percent rate, 1976 to 1986).

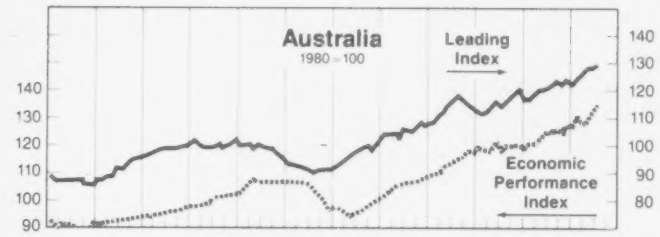
Although not advancing quite as fast as on the continent, cyclical expansion continues at a fairly good pace in the United Kingdom. A few months ago the leading index gave signs of faltering, but the latest data show the advance continuing.

The leading index for Italy, which showed a distinct downturn a half year ago, has now rebounded rather smartly.

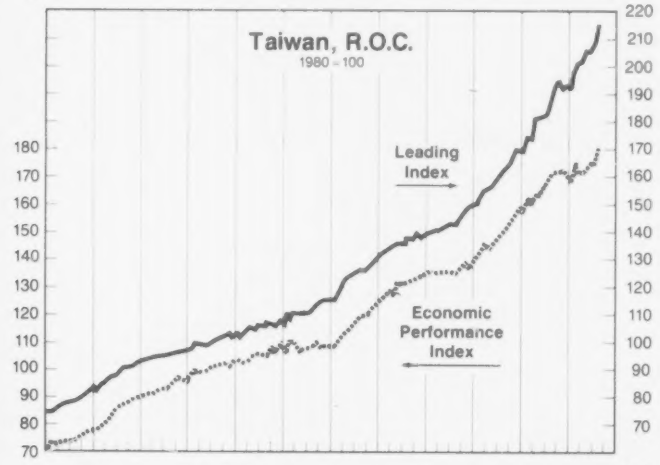
## PACIFIC REGION COUNTRIES



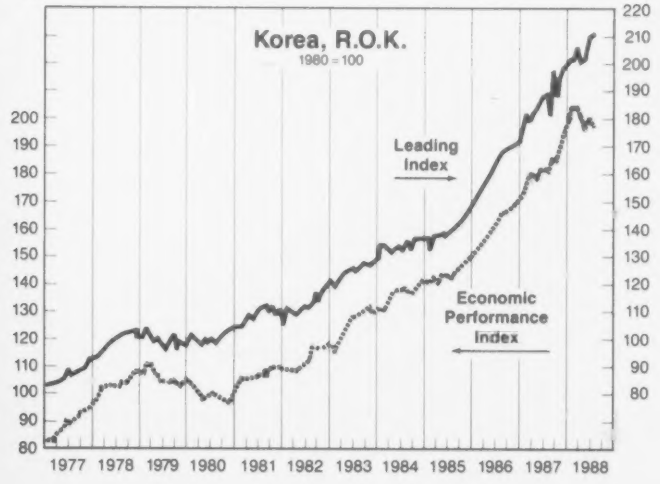

The latest reports from Tokyo suggest the Japanese business cycle continues on the upgrade at a sturdy pace.




Australia's business cycle continues to show brisk expansion through the summer months.




The business cycle in Taiwan shows the fastest growth of all the industrial countries, and the latest data show both the leading and performance indexes accelerating.




Growth in Korea's economy appeared to slow down at the beginning of summer, but the leading index continued to advance rapidly. (It is not clear how much the Korean statistics were affected by preparations for the Olympic Games.)

## FURTHER PROGRESS AHEAD ON THE REAL TRADE DEFICIT

The U.S. trade deficit is headline news these days. Financial markets appear to be strongly influenced by current and prospective changes in the deficit. As noted in the *Scoreboard* earlier this year, the leading economic indexes yield some useful information on prospects for the deficit. At that time we projected a decline in the real trade deficit (that is, in 1982 dollars) from roughly $130 billion in 1987 to about $90 billion in 1988. So far, events have confirmed this optimistic forecast.

Our projection is based on a simple model that has a good track record in forecasting foreign trade flows (see charts). The procedure focuses on two major factors: relative prices and anticipated demand. We start by forecasting percent changes in exports and imports, and from that we compute levels of exports and imports and then the trade balance. The forecast of export changes is determined by using (1) prior changes in real dollar exchange rates covering 40 countries, as compiled by Morgan Guaranty, and (2) the prior growth in the *Scoreboard's* nine-country leading index excluding the U.S. The exchange rate is an important determinant of relative prices, while the index of leading indicators is a measure of anticipated foreign demand for U.S. products. The import forecast is based on (1) the same prior changes in the exchange rate but (2) uses the growth in the U.S. leading index. The latter provides insight into anticipated U.S. demand for imports.

The significant decline in the trade deficit since 1986 was plainly influenced by the sharp drop in the dollar exchange rate. It not only boosted the competitiveness of U.S. goods in markets abroad by lowering their prices, but also made imports more expensive for U.S. buyers. The same method that enabled us to forecast trade flows for 1988 can now be used to look at fiscal 1989, i.e., the year ending June 1989. This allows us to use more recent data on exchange rates and the leading indexes, which were not available when we made our forecast for 1988.

In general, the outlook for fiscal 1989 is good but not spectacular. Slower growth in both imports and exports lies ahead, but exports will still rise faster than imports, reducing the deficit. The growth rate in real imports is projected to fall from about 10 percent in fiscal 1988 to 6 percent in fiscal 1989, year over year. For real exports the growth rate is expected to fall from nearly 20 percent to about 13 percent. As a result, the deficit would fall from 114 billion 1982 dollars in fiscal 1988 to 86 billion in fiscal 1989. This is lower than it has been in any fiscal year since 1984, though still far from balance. The continuing growth in exports will, of course, help to sustain the U.S. economic expansion, while the growth in imports will help to sustain expansion in other countries. That's everybody being a good neighbor!

## THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

This publication is designed to help readers monitor the ups and downs of the business cycle around the world. To this end, two types of index are shown for each country: an index of economic performance and a leading index. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call "coincident" series, because they *define* the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus, the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see "What the Leading Indicators Indicate," *Across The Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of the lead is to be expected, however. Constant monitoring is needed to make effective use of the system and to get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

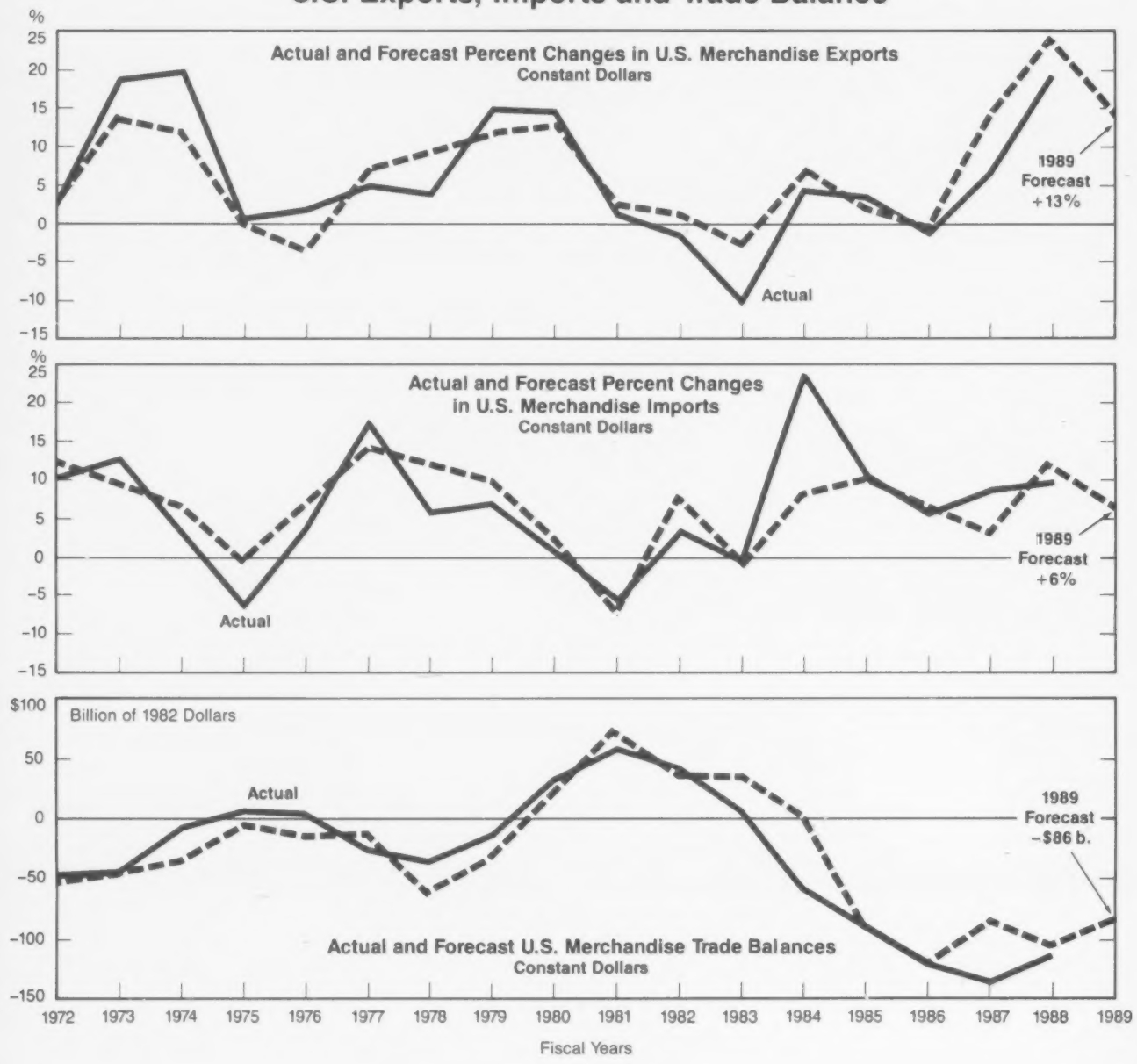
The indexes were developed by Geoffrey H. Moore and Philip A. Klein, and are maintained by the Center for International Business Cycle Research at the Columbia Business School. (The U.S. indexes used here differ slightly from the indexes reported monthly by the U.S. Dept. of Commerce.) To facilitate analysis the indexes are adjusted so their long-run growth rates are equal to those in real GNP in the country concerned. These growth rates are shown in the first column of the table on page 2 of the quarterly version of the *Scoreboard*.

### For More Information

To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

Center for International Business Cycle Research
Columbia Business School
New York, New York 10027
Telephone: 212-280-2916

# U.S. Exports, Imports and Trade Balance

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Economic and Business Environment Program

MONTHLY UPDATE TO

# International Economic Scoreboard

A Monthly Report from The Conference Board — January 1989

## SUMMARY

*Worldwide,* the global business cycle continues its steady and sturdy expansion. The latest reading for the leading indexes shows a slightly faster pace of advance.

*Regionally,* the leading index for the Pacific area is climbing smartly again, almost as rapidly as in late 1986-early 1987. Europe and North America are on the upswing, too, but at a more modest pace.

*Nationally,* the most notable change this month is in Japan, where new data have pushed the leading index sharply higher. Taiwan continues to exhibit rapid growth. The leading indexes for the United Kingdom and Canada, however, are noticeably sluggish.

*Interpretation:* The world's industrial nations continue in the expansion phase of the cycle. And despite the sluggishness indicated by two countries, all of these economies appear to be headed for higher ground in the months ahead.

### Summary Of Growth Rates, Ten Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 5 | 5 | 4 | 5 | 6 | 6 | Expansion continuing | Oct. |
| 9 countries excl. U.S. | 3 | 6 | 5 | 4 | 8 | 9 | 7 | Expansion continuing | Oct. |
| North America (2) | 3 | 5 | 4 | 4 | 2 | 1 | 4 | Expansion continuing | Oct. |
| Europe (4) | 2 | 5 | 5 | 4 | 3 | 4 | 4 | Expansion continuing | Oct. |
| Pacific Region (4) | 4 | 7 | 6 | 6 | 14 | 17 | 12 | Expansion continuing, leaders strong | Oct. |
| United States | 3 | 5 | 4 | 4 | 0 | 3 | 3 | Expansion continuing | Nov. |
| Canada | 3 | 5 | 4 | 3 | 4 | 1 | 1 | Expansion continuing, leaders weak | Oct. |
| West Germany | 2 | 3 | 5 | 3 | 5 | 6 | 5 | Expansion continuing | Nov./Oct. |
| France | 2 | 6 | 6 | 4 | 4 | 6 | 9 | Expansion continuing | Oct./Nov. |
| United Kingdom | 2 | 5 | 5 | 5 | 1 | 1 | -1 | Expansion continuing, leaders weak | Oct. |
| Italy | 2 | 7 | 7 | 3 | 0 | 2 | 3 | Expansion continuing | Oct. |
| Japan | 4 | 7 | 6 | 5 | 15 | 18 | 12 | Expansion continuing, leaders strong | Oct. |
| Australia | 3 | 5 | 8 | 10 | 6 | 8 | 4 | Expansion continuing | Oct. |
| Taiwan, R.O.C. | 8 | 3 | 9 | 11 | 14 | 17 | 14 | Expansion continuing, leaders strong | Nov. |
| Korea, R.O.K. | 7 | 11 | 5 | 8 | 8 | 11 | 9 | Expansion continuing | Oct. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 116 | 122 | 117 | 120 | 114 | 123 | 109 | 115 | 129 | 130 |
| Feb. | 87 | 116 | 123 | 117 | 121 | 116 | 126 | 109 | 115 | 129 | 131 |
| Mar. | 87 | 116 | 125 | 117 | 123 | 116 | 127 | 110 | 116 | 130 | 136 |
| Apr. | 87 | 117 | 127 | 118 | 126 | 116 | 128 | 110 | 116 | 129 | 141 |
| May | 87 | 117 | 128 | 118 | 127 | 117 | 128 | 110 | 117 | 129 | 146 |
| June | 87 | 118 | 131 | 119 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 119 | 132 | 119 | 132 | 118 | 131 | 111 | 118 | 132 | 156 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 132 | 163 |
| Sept. | 87 | 120 | 134 | 120 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 160 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 131 | 113 | 117 | 135 | 158 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 118 | 137 | 156 |
| Feb. | 88 | 123 | 132 | 124 | 132 | 122 | 132 | 115 | 119 | 140 | 155 |
| Mar. | 88 | 124 | 134 | 125 | 135 | 122 | 132 | 116 | 120 | 140 | 161 |
| Apr. | 88 | 124 | 135 | 125 | 137 | 123 | 132 | 116 | 119 | 139 | 167 |
| May | 88 | 124 | 136 | 125 | 139 | 123 | 131 | 116 | 120 | 139 | 173 |
| June | 88 | 125 | 138 | 126 | 140 | 124 | 134 | 117 | 121 | 141 | 175 |
| July | 88 | 125 | 138 | 126 | 141 | 124 | 132 | 117 | 121 | 141 | 176 |
| Aug. | 88 | 125 | 139 | 127 | 142 | 124 | 134 | 117 | 122 | 142 | 178 |
| Sept. | 88 | 126 | 138 | 127 | 141 | 124 | 133 | 118 | 122 | 143 | 176 |
| Oct. | 88 | 126 | 139 | 128 | 142 | 125 | 135 | 118 | 122 | 143 | 176 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 3 | 6 | 3 | 8 | 2 | 3 | 3 | 4 | 5 | 16 |
| 4 | 8 | 4 | 9 | 4 | 7 | 3 | 4 | 4 | 17 |
| 4 | 10 | 4 | 11 | 4 | 8 | 3 | 4 | 4 | 22 |
| 4 | 11 | 4 | 13 | 4 | 9 | 4 | 5 | 3 | 27 |
| 4 | 12 | 3 | 14 | 4 | 8 | 4 | 4 | 3 | 31 |
| 4 | 15 | 4 | 17 | 5 | 11 | 4 | 5 | 5 | 38 |
| 5 | 15 | 5 | 18 | 5 | 10 | 4 | 6 | 6 | 39 |
| 5 | 15 | 5 | 19 | 5 | 9 | 4 | 5 | 6 | 43 |
| 5 | 13 | 5 | 16 | 5 | 8 | 4 | 4 | 6 | 35 |
| 6 | 10 | 6 | 12 | 6 | 7 | 5 | 3 | 7 | 27 |
| 6 | 6 | 6 | 8 | 6 | 4 | 5 | 1 | 7 | 18 |
| 6 | 5 | 6 | 6 | 6 | 3 | 5 | 1 | 8 | 13 |
| 6 | 4 | 7 | 5 | 5 | 3 | 5 | 2 | 8 | 9 |
| 7 | 3 | 8 | 4 | 6 | 3 | 6 | 3 | 10 | 5 |
| 7 | 5 | 7 | 6 | 6 | 3 | 6 | 3 | 9 | 10 |
| 5 | 5 | 6 | 8 | 5 | 2 | 5 | 3 | 7 | 14 |
| 5 | 6 | 5 | 10 | 5 | 0 | 5 | 3 | 5 | 19 |
| 6 | 7 | 6 | 10 | 5 | 4 | 5 | 4 | 7 | 18 |
| 5 | 6 | 5 | 9 | 4 | 3 | 5 | 4 | 6 | 17 |
| 5 | 7 | 5 | 9 | 4 | 3 | 5 | 4 | 6 | 16 |
| 5 | 5 | 5 | 8 | 4 | 1 | 5 | 4 | 6 | 13 |
| 4 | 6 | 4 | 7 | 4 | 4 | 4 | 4 | 6 | 12 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-88

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 87 | 114 | 124 | 118 | 117 | 108 | 113 | 113 | 117 | 106 | 115 | 107 | 115 | 127 | 128 | 119 | 116 | 158 | 169 | 172 | 171 |
| Feb. | 87 | 115 | 127 | 119 | 118 | 108 | 114 | 114 | 117 | 107 | 115 | 107 | 115 | 127 | 129 | 120 | 116 | 162 | 174 | 176 | 181 |
| Mar. | 87 | 116 | 128 | 120 | 119 | 109 | 114 | 114 | 118 | 107 | 116 | 107 | 115 | 127 | 135 | 120 | 117 | 160 | 174 | 178 | 180 |
| Apr. | 87 | 116 | 129 | 121 | 120 | 109 | 114 | 115 | 120 | 108 | 116 | 108 | 116 | 127 | 140 | 121 | 118 | 163 | 180 | 178 | 182 |
| May | 87 | 116 | 129 | 122 | 120 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 146 | 122 | 120 | 164 | 181 | 180 | 183 |
| June | 87 | 117 | 132 | 122 | 121 | 110 | 115 | 116 | 120 | 108 | 116 | 108 | 116 | 128 | 154 | 123 | 120 | 166 | 182 | 182 | 188 |
| July | 87 | 118 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 109 | 118 | 108 | 116 | 130 | 158 | 125 | 121 | 168 | 183 | 183 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 122 | 110 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 166 | 124 | 122 | 170 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 116 | 118 | 122 | 110 | 117 | 108 | 115 | 131 | 164 | 125 | 123 | 171 | 192 | 186 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 116 | 119 | 122 | 111 | 117 | 109 | 115 | 132 | 162 | 125 | 123 | 171 | 194 | 186 | 188 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 115 | 119 | 121 | 111 | 116 | 109 | 114 | 133 | 159 | 124 | 122 | 171 | 192 | 190 | 195 |
| Dec. | 87 | 120 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 110 | 114 | 134 | 158 | 127 | 123 | 171 | 193 | 195 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 124 | 112 | 118 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 157 | 127 | 122 | 169 | 192 | 199 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 124 | 112 | 120 | 122 | 123 | 113 | 117 | 112 | 115 | 137 | 156 | 128 | 123 | 176 | 197 | 203 | 201 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 119 | 122 | 124 | 113 | 118 | 113 | 116 | 137 | 162 | 130 | 125 | 171 | 201 | 204 | 206 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 120 | 122 | 123 | 114 | 117 | 113 | 115 | 136 | 170 | 128 | 126 | 172 | 202 | 200 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 120 | 123 | 124 | 114 | 118 | 113 | 116 | 136 | 176 | 129 | 128 | 172 | 206 | 198 | 202 |
| June | 88 | 123 | 135 | 129 | 126 | 114 | 120 | 124 | 126 | 114 | 118 | 114 | 116 | 138 | 178 | 131 | 129 | 174 | 206 | 200 | 208 |
| July | 88 | 123 | 133 | 129 | 125 | 113 | 122 | 124 | 126 | 115 | 118 | 115 | 116 | 138 | 179 | 132 | 129 | 177 | 209 | 199 | 209 |
| Aug. | 88 | 124 | 135 | 129 | 125 | 115 | 122 | 125 | 127 | 115 | 118 | 114 | 117 | 138 | 180 | 132 | 131 | 181 | 215 | 203 | 213 |
| Sept. | 88 | 124 | 134 | 130 | 126 | 114 | 122 | 126 | 128 | 115 | 118 | 114 | 117 | 139 | 179 | 135 | 131 | 181 | 217 | 203 | 210 |
| Oct. | 88 | 124 | 136 | 130 | 125 | 114 | 122 | 125 | 129 | 116 | 117 | 114 | 117 | 140 | 179 | 136 | 129 | 180 | 217 | 206 | 212 |
| Nov. | 88 | 125 | 136 | | | 115 | | | 130 | | | | | | | | | 185 | 219 | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | |
| Jan. | 87 | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 5 | 3 | 5 | 2 | 2 | 4 | 18 | 0 | 7 | 13 | 12 | 13 | 10 |
| Feb. | 87 | 4 | 7 | 4 | 4 | 3 | 4 | 4 | 4 | 5 | 5 | 1 | 3 | 3 | 18 | 3 | 7 | 15 | 15 | 16 | 20 |
| Mar. | 87 | 4 | 8 | 4 | 5 | 2 | 3 | 4 | 5 | 4 | 6 | 1 | 3 | 3 | 25 | 2 | 8 | 11 | 13 | 16 | 15 |
| Apr. | 87 | 4 | 9 | 5 | 7 | 3 | 4 | 5 | 7 | 5 | 5 | 2 | 4 | 2 | 31 | 4 | 8 | 13 | 18 | 13 | 15 |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 7 | 5 | 5 | 2 | 2 | 1 | 35 | 4 | 9 | 11 | 17 | 13 | 13 |
| June | 87 | 4 | 11 | 6 | 6 | 3 | 4 | 5 | 6 | 5 | 5 | 2 | 3 | 3 | 44 | 6 | 8 | 12 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 3 | 5 | 6 | 6 | 7 | 1 | 2 | 5 | 45 | 8 | 9 | 12 | 14 | 12 | 16 |
| Aug. | 87 | 5 | 9 | 6 | 6 | 4 | 6 | 5 | 6 | 6 | 5 | 0 | −1 | 5 | 51 | 6 | 9 | 13 | 16 | 8 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 40 | 7 | 10 | 12 | 20 | 13 | 20 |
| Oct. | 87 | 6 | 7 | 7 | 4 | 3 | 4 | 6 | 4 | 6 | 3 | 3 | 0 | 7 | 30 | 5 | 8 | 10 | 18 | 10 | 8 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 1 | 6 | 3 | 6 | 0 | 3 | −1 | 7 | 20 | 4 | 6 | 8 | 13 | 12 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 4 | 4 | 3 | 7 | 3 | 6 | −1 | 3 | −2 | 7 | 13 | 7 | 5 | 6 | 12 | 16 | 15 |
| Jan. | 88 | 5 | 3 | 6 | 6 | 3 | 5 | 7 | 3 | 6 | 2 | 5 | −2 | 8 | 9 | 7 | 3 | 3 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 7 | 7 | 4 | 6 | 0 | 6 | −1 | 10 | 4 | 7 | 4 | 10 | 11 | 20 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 6 | 4 | 5 | 7 | 5 | 6 | 1 | 7 | 1 | 9 | 10 | 8 | 6 | 3 | 14 | 17 | 15 |
| Apr. | 88 | 6 | 1 | 5 | 4 | 3 | 5 | 6 | 3 | 5 | 1 | 7 | 0 | 7 | 15 | 5 | 6 | 3 | 13 | 11 | 8 |
| May | 88 | 5 | 0 | 5 | 4 | 3 | 4 | 6 | 4 | 5 | 2 | 6 | 1 | 6 | 21 | 4 | 8 | 3 | 14 | 7 | 8 |
| June | 88 | 5 | 4 | 5 | 4 | 4 | 4 | 7 | 6 | 4 | 2 | 7 | 1 | 7 | 19 | 7 | 9 | 4 | 12 | 8 | 12 |
| July | 88 | 5 | 1 | 4 | 1 | 3 | 6 | 6 | 5 | 5 | 1 | 7 | 2 | 6 | 18 | 8 | 8 | 6 | 13 | 5 | 11 |
| Aug. | 88 | 4 | 3 | 4 | 1 | 5 | 6 | 6 | 6 | 4 | 2 | 5 | 3 | 5 | 17 | 7 | 10 | 9 | 17 | 8 | 13 |
| Sept. | 88 | 4 | 1 | 4 | 2 | 4 | 4 | 7 | 7 | 4 | 0 | 4 | 3 | 6 | 13 | 10 | 8 | 9 | 16 | 6 | 7 |
| Oct. | 88 | 5 | 4 | 3 | 1 | 2 | 5 | 4 | 8 | 5 | −1 | 3 | 3 | 5 | 12 | 10 | 4 | 6 | 15 | 8 | 9 |
| Nov. | 88 | 4 | 3 | | | 3 | | | 9 | | | | | | | | | 11 | 14 | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

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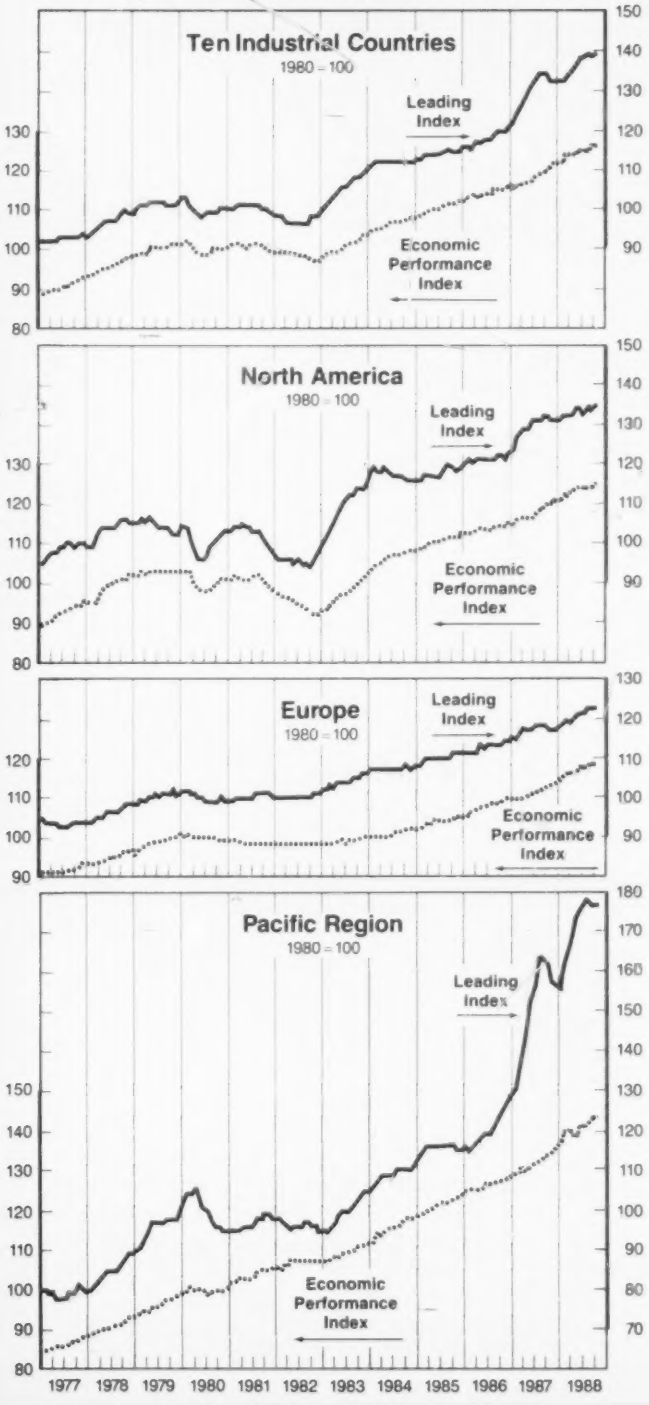
The Conference Board

**Economic and Business Environment Program**

# International Economic Scoreboard

**A Quarterly Report from The Conference Board** **First Quarter 1989**

## WORLD BUSINESS CYCLE




The global business cycle continued to advance as 1988 drew to a close, and the leading indexes for the major industrial countries signal that the expansion will persist into 1989. Overall, the pace is steady and sturdy.

The Pacific Region, led by Japan, stands out as the part of the world with rapid increases ahead, as indicated by the 12 percent growth rate in the region's leading index. In Europe and North America, the leading indexes are climbing at a more ordinary 4 percent.

Taiwan and Japan are the front runners at present with growth rates of 14 percent and 12 percent in their leading indexes. France is also strong, with its 9 percent growth rate. At the bottom are Canada with a 1 percent growth rate and the United Kingdom with a 1 percent rate of *decline*. In neither case, however, are the indicators sufficiently weak to suggest recession is imminent.

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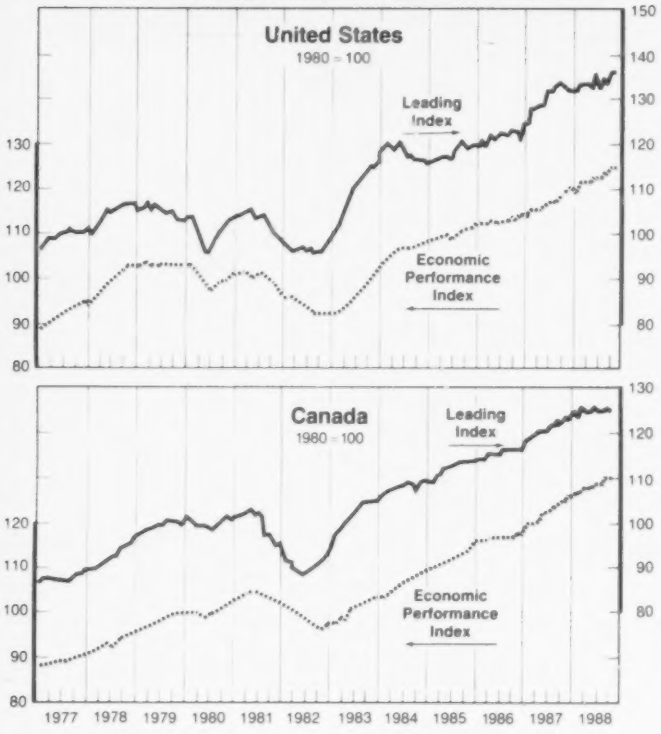
## NORTH AMERICAN COUNTRIES




The leading index for the United States continues on the upgrade. The pace of advance is moderate, but that's a good thing when the economy is so close to full employment and inflationary pressures are high.

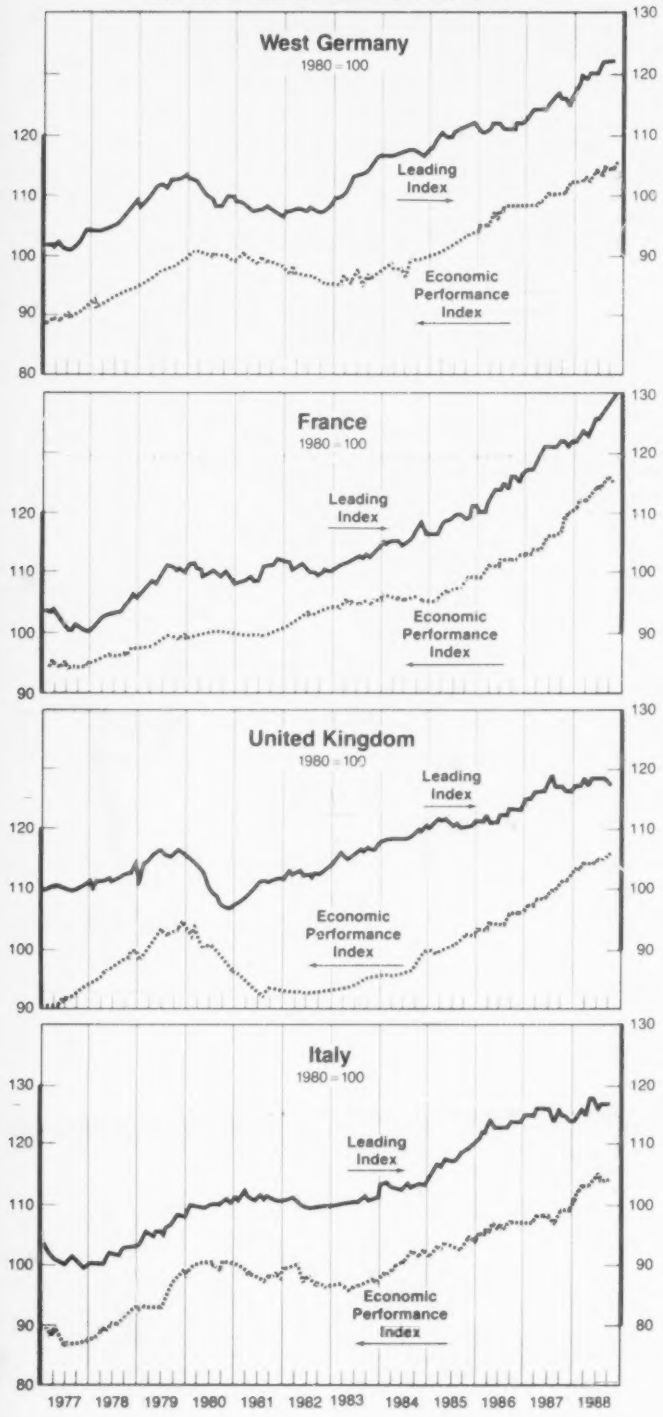
Prospects for Canada are questionable. The economy itself—as measured by production, employment and other component series of our economic performance index—continues to increase steadily if moderately. The leading index, however, has been essentially flat since last March. This sign of sluggishness is something of a surprise to most Canadian forecasters, who have been looking for a continuation of the long cyclical expansion.

### Summary Of Growth Rates, Ten Industrial Countries

| | *Ten-year Growth Rate* | *Indexes of Economic Performance Growth Rates** | | | *Leading Business Cycle Indexes Growth Rates** | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *1976-86* | *6 mos. ago* | *3 mos. ago* | *Latest month* | *6 mos. ago* | *3 mos. ago* | *Latest month* | *Current Reading on the Cycle* | *Latest Month Covered* |
| | *annual rates, percent* | | | | | | | | |
| Ten countries | 3 | 5 | 5 | 4 | 5 | 6 | 6 | Expansion continuing | Oct. |
| 9 countries excl. U.S. | 3 | 6 | 5 | 4 | 8 | 9 | 7 | Expansion continuing | Oct. |
| North America (2) | 3 | 5 | 4 | 4 | 2 | 1 | 4 | Expansion continuing | Oct. |
| Europe (4) | 2 | 5 | 5 | 4 | 3 | 4 | 4 | Expansion continuing | Oct. |
| Pacific Region (4) | 4 | 7 | 6 | 6 | 14 | 17 | 12 | Expansion continuing, leaders strong | Oct. |
| United States | 3 | 5 | 4 | 4 | 0 | 3 | 3 | Expansion continuing | Nov. |
| Canada | 3 | 5 | 4 | 3 | 4 | 1 | 1 | Expansion continuing, leaders weak | Oct. |
| West Germany | 2 | 3 | 5 | 3 | 5 | 6 | 5 | Expansion continuing | Nov./Oct. |
| France | 2 | 6 | 6 | 4 | 4 | 6 | 9 | Expansion continuing | Oct./Nov. |
| United Kingdom | 2 | 5 | 5 | 5 | 1 | 1 | -1 | Expansion continuing, leaders weak | Oct. |
| Italy | 2 | 7 | 7 | 3 | 0 | 2 | 3 | Expansion continuing | Oct. |
| Japan | 4 | 7 | 6 | 5 | 15 | 18 | 12 | Expansion continuing, leaders strong | Oct. |
| Australia | 3 | 5 | 8 | 10 | 6 | 8 | 4 | Expansion continuing | Oct. |
| Taiwan, R.O.C. | 8 | 3 | 9 | 11 | 14 | 17 | 14 | Expansion continuing, leaders strong | Nov. |
| Korea, R.O.K. | 7 | 11 | 5 | 8 | 8 | 11 | 9 | Expansion continuing | Oct. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

## EUROPEAN COUNTRIES



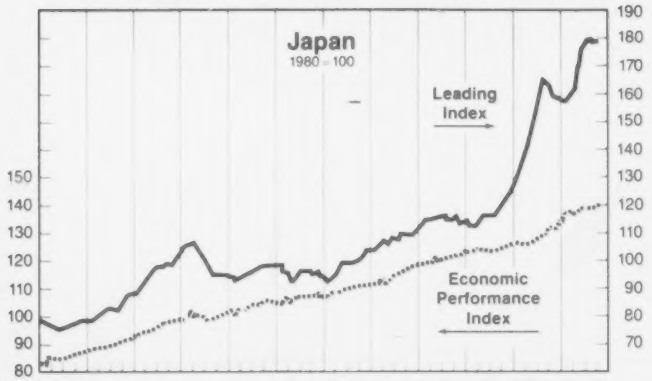

The West German economy continues to expand moderately, with the economic performance index growing at a 3 percent rate and the leading index at a 5 percent clip.

In France, the business cycle is looking a bit more robust, with the economic performance index climbing at a 4 percent rate and the leading index accelerating to a 9 percent growth rate.

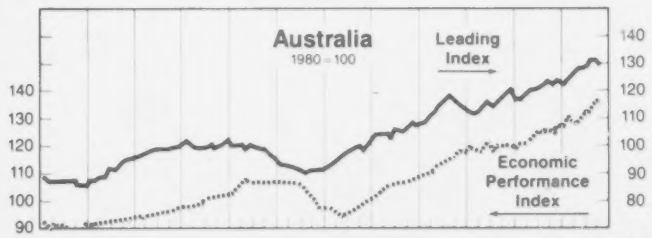
The indexes for the United Kingdom show a mixed pattern. The economy is doing well, as signaled by the 5 percent growth rate for the economic performance index. But the one percent rate of decline in the leading index presents a very different picture. This weakness in the leaders is not sufficient to signal that a recession is imminent, but it raises a doubt about continuation of the vigorous upswing.

Both the leading and economic performance indexes for Italy are advancing at a 3 percent rate, pointing to further gradual increases in economic activity.

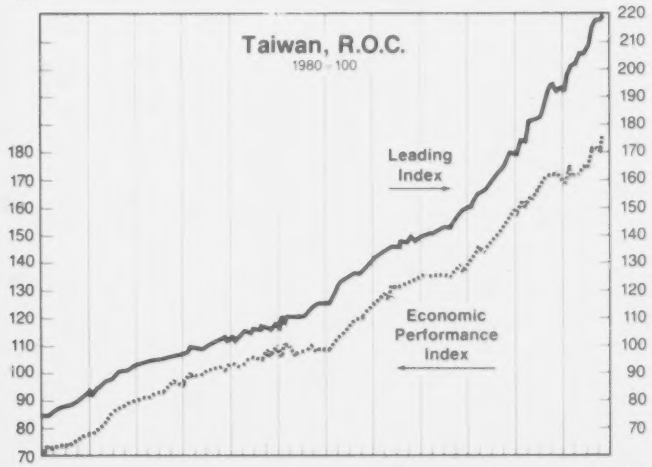
## PACIFIC REGION COUNTRIES




In Japan, the economic performance index continues to advance at a fairly normal (for Japan) rate of 5 percent. The upswing in the leading index, however, has been bolstered by newly available data (mostly on inventory investment and household credit) that provide a distinctly more favorable outlook. The growth rate in the leading index is now at an impressive 12 percent.




The Australian economy is advancing at a sprightly 10 percent rate, as measured by the economic performance index. The leading index is also climbing, but at a more ordinary 4 percent rate.




In Taiwan, economic activity continues its rapid and seemingly relentless climb. The economic performance index shows an 11 percent growth rate; the leading index shows a 14 percent growth rate. Both rates are tops for the ten countries in this report.

The business cycle expansion in Korea continues, but at a rate quite a bit slower than in 1987 and only slightly faster than its long-term trend.

## THE ASIAN DEVELOPING ECONOMIES: STEADY EXPORT GROWTH IN 1989

Numerous studies have shown that the *Scoreboard's* leading indexes for the developed countries are useful in forecasting the export trade of the developing economies. The rationale behind this is that the leading indexes for the developed countries anticipate their demand for imported materials and finished goods. In other words, the leading index for the developed countries is a leading index of export demand for the developing countries.

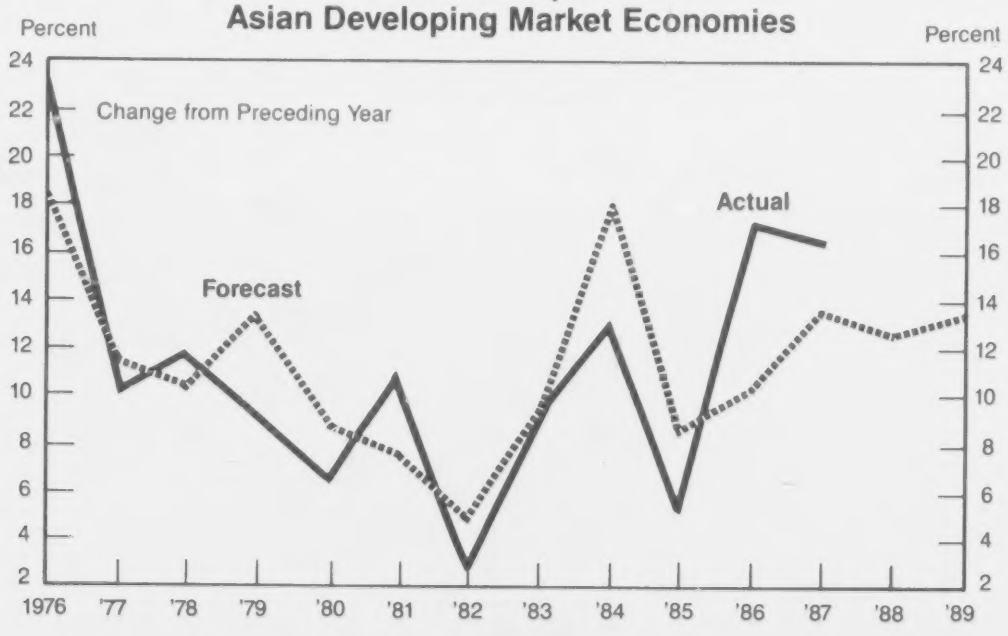
In this issue of the *Scoreboard* we apply this concept to the developing countries of the Pacific Basin. Statistics on the volume of exports of the developing market economies of Asia are available in the United Nations *Monthly Bulletin of Statistics* on a quarterly and annual basis. The Asian developing market economies include such large exporting countries as Hong Kong, Korea, Singapore, Indonesia, Malaysia, India, Thailand, the Philippines and others. Their total exports in 1987 came to $250 billion. About half of these exports went to the G-7 countries (United States, Canada, Japan, United Kingdom, West Germany, France and Italy). Hence, the fluctuations in demand in these countries, as reflected in the leading index for the G-7 group, obviously affects the exports of the Asian countries.

The accompanying chart shows that from 1975 through 1987 the year-to-year growth rates in total exports (in constant prices) of the Asian developing market economies were forecast quite accurately by the preceding December's growth rate in the leading index for the G-7 countries. The typical error of these forecasts was about three percentage points, which is modest compared with the high degree of volatility in the year-to-year changes in these exports.

The chart discloses that the growth of these exports moved sharply downward from 1976 to 1982. The growth rate dropped from 23 percent in 1975-76 to less than 3 percent in 1981-82. This sharp decline was, of course, a manifestation of the worldwide recession of the early 1980s. The resurgence in exports since then reflects the widespread expansion of economic activity that began in late 1982 and persists to the present. From 1985 to 1987, growth in the total exports of developing market economies in the Pacific Basin averaged over 16 percent per year. These are the two best years back-to-back since the mid-1970s.

Our forecasts for 1988 and 1989 suggest continued rapid growth. For 1988 the anticipated (not yet reported) growth rate is 12 percent; for 1989, 14 percent. Preliminary data for the first half of 1988 indicate that our forecast is in the ballpark. For 1989 the forecast assumes that the growth rate in the G-7 leading index, which is presently available only through October 1988, will be about the same in December. The projected 14 percent growth in Asian exports in 1989 is a bit below the 16 percent reported for 1987, but still an impressive rate of increase. Thus export trade will evidently continue to be a major contributor to the growth of the Asian developing countries.

### Growth in Exports of Asian Developing Market Economies




Note: Forecast changes are based on the preceding December's six-month smoothed growth rate in the leading index for the G-7 countries as reported by the Center for International Business Cycle Research, Columbia Business School.

## THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

This publication is designed to help readers monitor the ups and downs of the business cycle around the world. To this end, two types of index are shown for each country: an index of economic performance and a leading index. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call "coincident" series, because they *define* the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus, the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see "What the Leading Indicators Indicate," *Across The Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of the lead is to be expected, however. Constant monitoring is needed to make effective use of the system and to get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

The indexes were developed by Geoffrey H. Moore and Philip A. Klein, and are maintained by the Center for International Business Cycle Research at the Columbia Business School. (The U.S. indexes used here differ slightly from the indexes reported monthly by the U.S. Dept. of Commerce.) To facilitate analysis the indexes are adjusted so their long-run growth rates are equal to those in real GNP in the country concerned. These growth rates are shown in the first column of the table on page 2 of the quarterly version of the *Scoreboard*.

### For More Information

To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

Center for International Business Cycle Research
Columbia Business School
New York, New York 10027
Telephone: 212-280-2916

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The Conference Board

*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** **February 1989**

## SUMMARY

*Worldwide,* the steady advance of the business cycle continues. The pace seems healthy, neither too fast nor too slow for comfort.

*Regionally,* the leading index for the four Pacific countries is far outpacing Europe and North America.

*Nationally,* the one country showing a sluggish pattern is Canada. Its economic performance index is still climbing gradually, but its leading index has been flat for 10 months. That's not a recession signal, but the yellow caution light is flashing.

*Interpretation:* The 10-nation economic performance index has been climbing steadily for six consecutive years. Although historically that's a fairly long life, we should reject the geriatric theory of business cycles. Cyclical expansions do not die of old age. They are, rather, asphyxiated either by their own internal maladjustments (such as an excessive accumulation of inventories or a profits squeeze) or by developments from outside (such as a massive oil price hike or, more commonly, severe policy restraint). Currently, there is nothing in the behavior of the leading index to suggest that either is a threat to the present expansion continuing into year seven.

**Summary Of Growth Rates, Ten Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 5 | 5 | 5 | 6 | 7 | 6 | Expansion continuing | Nov. |
| 9 countries excl. U.S. | 3 | 5 | 5 | 5 | 10 | 9 | 8 | Expansion continuing | Nov. |
| North America (2) | 3 | 5 | 4 | 4 | 0 | 3 | 2 | Expansion continuing | Nov. |
| Europe (4) | 2 | 5 | 5 | 4 | 3 | 5 | 5 | Expansion continuing | Nov. |
| Pacific Region (4) | 4 | 5 | 6 | 7 | 19 | 16 | 12 | Expansion continuing, leaders strong | Nov. |
| United States | 3 | 5 | 4 | 4 | 4 | 1 | 4 | Expansion continuing | Dec. |
| Canada | 3 | 5 | 4 | 3 | 4 | 1 | 0 | Expansion continuing, leaders weak | Nov. |
| West Germany | 2 | 4 | 3 | 4 | 4 | 6 | 4 | Expansion continuing | Dec./Nov. |
| France | 2 | 6 | 7 | 6 | 6 | 7 | 6 | Expansion continuing | Nov./Dec. |
| United Kingdom | 2 | 5 | 4 | 4 | 2 | 3 | 4 | Expansion continuing | Nov. |
| Italy | 2 | 7 | 7 | 2 | 1 | 3 | 2 | Expansion continuing | Oct./Nov. |
| Japan | 4 | 6 | 5 | 6 | 21 | 17 | 12 | Expansion continuing, leaders strong | Nov. |
| Australia | 3 | 4 | 7 | 10 | 8 | 10 | 7 | Expansion continuing | Nov. |
| Taiwan, R.O.C. | 8 | 4 | 9 | 9 | 12 | 16 | 10 | Expansion continuing, leaders strong | Dec. |
| Korea, R.O.K. | 7 | 7 | 8 | 7 | 8 | 13 | 11 | Expansion continuing, leaders strong | Nov. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**

845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| May | 87 | 117 | 128 | 118 | 127 | 117 | 128 | 110 | 116 | 129 | 146 |
| June | 87 | 118 | 131 | 119 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 119 | 132 | 119 | 132 | 118 | 131 | 111 | 118 | 132 | 156 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 132 | 163 |
| Sept. | 87 | 120 | 134 | 120 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 160 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 131 | 113 | 117 | 135 | 158 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 118 | 137 | 156 |
| Feb. | 88 | 123 | 132 | 125 | 132 | 122 | 132 | 115 | 119 | 140 | 155 |
| Mar. | 88 | 124 | 134 | 125 | 135 | 122 | 132 | 116 | 120 | 140 | 162 |
| Apr. | 88 | 124 | 135 | 125 | 137 | 123 | 132 | 116 | 119 | 139 | 168 |
| May | 88 | 124 | 136 | 125 | 139 | 123 | 131 | 116 | 120 | 139 | 173 |
| June | 88 | 125 | 138 | 126 | 140 | 124 | 134 | 117 | 121 | 141 | 175 |
| July | 88 | 125 | 138 | 126 | 141 | 124 | 132 | 117 | 121 | 141 | 176 |
| Aug. | 88 | 126 | 139 | 127 | 142 | 124 | 134 | 118 | 122 | 142 | 178 |
| Sept. | 88 | 126 | 138 | 127 | 141 | 124 | 132 | 118 | 122 | 143 | 176 |
| Oct. | 88 | 126 | 139 | 127 | 142 | 125 | 134 | 117 | 122 | 143 | 176 |
| Nov. | 88 | 127 | 139 | 128 | 143 | 125 | 134 | 118 | 123 | 145 | 178 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 4 | 12 | 3 | 14 | 4 | 8 | 4 | 4 | 3 | 31 |
| 4 | 15 | 4 | 17 | 4 | 11 | 4 | 5 | 5 | 38 |
| 5 | 15 | 5 | 18 | 5 | 10 | 4 | 5 | 6 | 38 |
| 5 | 15 | 5 | 19 | 5 | 9 | 4 | 4 | 6 | 43 |
| 5 | 13 | 5 | 16 | 5 | 8 | 4 | 4 | 7 | 35 |
| 6 | 10 | 6 | 12 | 6 | 7 | 5 | 3 | 7 | 27 |
| 6 | 6 | 6 | 8 | 6 | 4 | 5 | 1 | 7 | 18 |
| 6 | 5 | 6 | 6 | 6 | 3 | 5 | 1 | 8 | 13 |
| 6 | 4 | 6 | 5 | 5 | 3 | 5 | 3 | 8 | 9 |
| 7 | 3 | 8 | 4 | 6 | 3 | 6 | 3 | 10 | 5 |
| 7 | 5 | 7 | 6 | 6 | 3 | 6 | 4 | 9 | 10 |
| 5 | 5 | 6 | 8 | 5 | 2 | 5 | 3 | 7 | 15 |
| 5 | 6 | 5 | 10 | 5 | 0 | 5 | 3 | 5 | 19 |
| 6 | 7 | 6 | 10 | 5 | 4 | 5 | 4 | 7 | 18 |
| 5 | 6 | 5 | 9 | 5 | 3 | 5 | 4 | 6 | 17 |
| 5 | 7 | 5 | 9 | 4 | 3 | 5 | 5 | 6 | 16 |
| 5 | 5 | 5 | 8 | 4 | 1 | 4 | 4 | 6 | 13 |
| 4 | 6 | 4 | 7 | 4 | 3 | 3 | 5 | 6 | 11 |
| 5 | 6 | 5 | 8 | 4 | 2 | 4 | 5 | 7 | 12 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-88

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| May | 87 | 116 | 129 | 122 | 120 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 146 | 122 | 120 | 164 | 181 | 180 | 183 |
| June | 87 | 117 | 132 | 122 | 120 | 110 | 115 | 116 | 120 | 109 | 116 | 108 | 116 | 128 | 154 | 123 | 120 | 166 | 182 | 182 | 188 |
| July | 87 | 118 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 109 | 118 | 108 | 116 | 129 | 158 | 125 | 121 | 168 | 183 | 183 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 121 | 110 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 166 | 124 | 122 | 170 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 116 | 118 | 123 | 110 | 117 | 108 | 115 | 131 | 164 | 125 | 123 | 171 | 192 | 186 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 116 | 119 | 122 | 111 | 117 | 109 | 115 | 132 | 162 | 125 | 123 | 171 | 194 | 186 | 188 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 115 | 119 | 122 | 112 | 116 | 109 | 114 | 133 | 159 | 124 | 122 | 171 | 192 | 190 | 195 |
| Dec. | 87 | 121 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 110 | 114 | 134 | 158 | 127 | 123 | 171 | 193 | 195 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 118 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 157 | 127 | 122 | 169 | 192 | 199 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 124 | 112 | 120 | 122 | 123 | 113 | 117 | 112 | 115 | 137 | 156 | 128 | 123 | 176 | 197 | 203 | 201 |
| Mar. | 88 | 122 | 133 | 128 | 125 | 113 | 119 | 122 | 124 | 114 | 118 | 113 | 116 | 137 | 162 | 130 | 125 | 171 | 201 | 204 | 206 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 119 | 122 | 123 | 114 | 117 | 113 | 115 | 136 | 170 | 128 | 126 | 172 | 202 | 200 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 120 | 123 | 124 | 114 | 118 | 113 | 116 | 136 | 176 | 129 | 128 | 172 | 206 | 198 | 202 |
| June | 88 | 123 | 135 | 129 | 126 | 114 | 120 | 124 | 126 | 114 | 118 | 114 | 116 | 138 | 178 | 131 | 129 | 174 | 206 | 200 | 208 |
| July | 88 | 123 | 133 | 129 | 125 | 113 | 121 | 124 | 126 | 115 | 119 | 115 | 116 | 138 | 179 | 132 | 129 | 177 | 209 | 199 | 209 |
| Aug. | 88 | 124 | 135 | 129 | 125 | 115 | 122 | 125 | 127 | 115 | 119 | 114 | 117 | 138 | 180 | 132 | 131 | 181 | 215 | 203 | 212 |
| Sept. | 88 | 124 | 133 | 130 | 125 | 114 | 121 | 126 | 129 | 115 | 118 | 113 | 117 | 139 | 178 | 135 | 131 | 181 | 217 | 203 | 209 |
| Oct. | 88 | 125 | 135 | 130 | 125 | 114 | 122 | 125 | 130 | 116 | 118 | 113 | 117 | 140 | 179 | 136 | 129 | 180 | 217 | 206 | 212 |
| Nov. | 88 | 125 | 135 | 130 | 125 | 115 | 122 | 127 | 130 | 116 | 120 | | 116 | 141 | 180 | 137 | 131 | 184 | 219 | 208 | 216 |
| Dec. | 88 | 125 | 136 | | | 116 | | | 129 | | | | | | | | | 184 | 217 | | |
| Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 6 | 5 | 5 | 2 | 2 | 1 | 35 | 4 | 9 | 11 | 17 | 13 | 13 |
| June | 87 | 4 | 11 | 6 | 5 | 3 | 4 | 5 | 6 | 5 | 5 | 2 | 3 | 3 | 44 | 6 | 8 | 12 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 6 | 5 | 6 | 6 | 7 | 1 | 2 | 5 | 45 | 8 | 9 | 12 | 14 | 12 | 16 |
| Aug. | 87 | 5 | 9 | 6 | 5 | 4 | 6 | 5 | 6 | 6 | 4 | 0 | −1 | 5 | 50 | 6 | 9 | 13 | 16 | 8 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 40 | 7 | 10 | 12 | 20 | 13 | 20 |
| Oct. | 87 | 6 | 7 | 7 | 5 | 3 | 4 | 6 | 4 | 6 | 3 | 3 | 0 | 7 | 30 | 5 | 8 | 10 | 18 | 10 | 8 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 1 | 7 | 3 | 6 | 0 | 3 | −1 | 7 | 20 | 4 | 6 | 8 | 13 | 12 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 4 | 4 | 3 | 7 | 3 | 6 | −1 | 3 | −3 | 7 | 13 | 7 | 5 | 6 | 12 | 16 | 15 |
| Jan. | 88 | 5 | 3 | 6 | 6 | 3 | 5 | 7 | 3 | 7 | 2 | 5 | −2 | 8 | 9 | 7 | 3 | 3 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 7 | 7 | 4 | 6 | 1 | 6 | −1 | 10 | 4 | 7 | 4 | 10 | 11 | 20 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 5 | 4 | 5 | 7 | 5 | 6 | 2 | 7 | 1 | 9 | 10 | 8 | 6 | 3 | 14 | 17 | 15 |
| Apr. | 88 | 6 | 1 | 5 | 4 | 3 | 5 | 6 | 3 | 6 | 1 | 7 | 0 | 7 | 16 | 5 | 6 | 3 | 13 | 11 | 8 |
| May | 88 | 5 | 0 | 5 | 4 | 3 | 4 | 6 | 4 | 5 | 2 | 6 | 1 | 6 | 21 | 4 | 8 | 3 | 14 | 7 | 8 |
| June | 88 | 5 | 4 | 5 | 4 | 4 | 4 | 7 | 6 | 4 | 2 | 7 | 1 | 7 | 19 | 7 | 9 | 4 | 12 | 8 | 12 |
| July | 88 | 5 | 1 | 4 | 1 | 3 | 6 | 7 | 5 | 4 | 2 | 7 | 2 | 6 | 18 | 8 | 8 | 6 | 13 | 5 | 11 |
| Aug. | 88 | 4 | 3 | 4 | 1 | 5 | 6 | 7 | 6 | 4 | 3 | 5 | 3 | 5 | 17 | 7 | 10 | 9 | 17 | 8 | 13 |
| Sept. | 88 | 4 | 1 | 4 | 2 | 3 | 4 | 7 | 7 | 3 | 1 | 3 | 3 | 6 | 13 | 11 | 8 | 9 | 16 | 6 | 7 |
| Oct. | 88 | 4 | 3 | 3 | 1 | 2 | 5 | 5 | 8 | 4 | 1 | 2 | 3 | 5 | 12 | 10 | 4 | 6 | 15 | 8 | 8 |
| Nov. | 88 | 4 | 2 | 3 | 0 | 3 | 4 | 6 | 8 | 4 | 4 | | 2 | 6 | 12 | 10 | 7 | 10 | 14 | 7 | 11 |
| Dec. | 88 | 4 | 4 | | | 4 | | | 6 | | | | | | | | | 9 | 10 | | |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

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The Conference Board

**Economic and Business Environment Program**

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** — **March 1989**

## SUMMARY

*Worldwide,* the business cycle continues to advance. Overall, the pace seems sustainable for the time being.

*Regionally,* the leading index for the four Pacific countries is far outpacing Europe and North America.

*Nationally,* the growth pattern appears to be somewhat sluggish in Australia, Canada and the United Kingdom. Australia's performance index is still climbing, but its leading index is slightly lower than in three of the past four months. A similar pattern obtains in Canada and the United Kingdom, where the leading index has barely moved since mid-1988.

*Interpretation:* The 10-country economic performance index has been climbing more or less steadily for over six years. All in all, there is nothing in the picture to suggest that the present expansion will not continue, even if at a somewhat more modest pace. Output in the industrial countries has grown strongly, world trade has been robust, and—at least until now—inflation appears to have remained under control. Further satisfactory performance hinges on whether inflation will emerge as a significant danger and whether financial markets will be willing to finance the continuing large external imbalances at existing interest and exchange rates.

**Summary Of Growth Rates, Ten Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 6 | 5 | 5 | 8 | 5 | 7 | Expansion continuing | Dec. |
| 9 countries excl. U.S. | 3 | 6 | 5 | 6 | 10 | 8 | 9 | Expansion continuing | Dec. |
| North America (2) | 3 | 5 | 4 | 4 | 4 | 1 | 4 | Expansion continuing | Dec. |
| Europe (4) | 2 | 5 | 4 | 4 | 4 | 4 | 5 | Expansion continuing | Dec. |
| Pacific Region (4) | 4 | 7 | 6 | 8 | 18 | 13 | 14 | Expansion continuing, leaders strong | Dec. |
| United States | 3 | 5 | 4 | 5 | 1 | 3 | 6 | Expansion continuing | Jan. |
| Canada | 3 | 5 | 4 | 4 | 4 | 1 | 1 | Expansion continuing, leaders weak | Dec. |
| West Germany | 2 | 3 | 3 | 4 | 4 | 4 | 5 | Expansion continuing | Jan./Dec. |
| France | 2 | 7 | 7 | 5 | 6 | 9 | 9 | Expansion continuing | Dec./Jan. |
| United Kingdom | 2 | 4 | 3 | 4 | 2 | 1 | 1 | Expansion continuing, leaders weak | Dec. |
| Italy | 2 | 7 | 7 | 2 | 1 | 3 | 4 | Expansion continuing | Oct./Dec. |
| Japan | 4 | 7 | 6 | 8 | 19 | 13 | 16 | Expansion continuing, leaders strong | Dec. |
| Australia | 3 | 7 | 11 | 11 | 9 | 8 | 4 | Expansion continuing | Dec. |
| Taiwan, R.O.C. | 8 | 6 | 7 | 6 | 13 | 15 | 11 | Expansion continuing, leaders strong | Jan. |
| Korea, R.O.K. | 7 | 5 | 7 | 7 | 11 | 9 | 12 | Expansion continuing, leaders strong | Jan. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**
845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| May | 87 | 117 | 128 | 118 | 127 | 117 | 128 | 110 | 116 | 129 | 146 |
| June | 87 | 118 | 131 | 119 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 119 | 132 | 119 | 132 | 118 | 131 | 111 | 118 | 132 | 156 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 132 | 162 |
| Sept. | 87 | 120 | 134 | 120 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 160 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 131 | 113 | 117 | 135 | 158 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 118 | 137 | 156 |
| Feb. | 88 | 123 | 132 | 125 | 132 | 122 | 132 | 115 | 118 | 140 | 156 |
| Mar. | 88 | 124 | 134 | 125 | 135 | 122 | 132 | 116 | 119 | 140 | 162 |
| Apr. | 88 | 124 | 135 | 125 | 137 | 123 | 132 | 116 | 119 | 139 | 168 |
| May | 88 | 124 | 136 | 125 | 139 | 123 | 131 | 116 | 120 | 139 | 173 |
| June | 88 | 125 | 138 | 126 | 140 | 124 | 134 | 117 | 120 | 141 | 175 |
| July | 88 | 125 | 138 | 126 | 141 | 124 | 133 | 117 | 121 | 141 | 176 |
| Aug. | 88 | 126 | 139 | 127 | 142 | 124 | 134 | 118 | 122 | 142 | 178 |
| Sept. | 88 | 126 | 138 | 127 | 141 | 124 | 133 | 118 | 122 | 143 | 176 |
| Oct. | 88 | 126 | 139 | 128 | 142 | 125 | 134 | 118 | 122 | 143 | 176 |
| Nov. | 88 | 127 | 140 | 129 | 143 | 125 | 134 | 118 | 123 | 145 | 178 |
| Dec. | 88 | 128 | 141 | 129 | 144 | 126 | 136 | 119 | 123 | 146 | 182 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 4 | 12 | 3 | 14 | 4 | 8 | 4 | 4 | 3 | 31 |
| 4 | 15 | 4 | 17 | 4 | 11 | 4 | 5 | 5 | 38 |
| 5 | 15 | 5 | 18 | 5 | 10 | 4 | 5 | 6 | 38 |
| 5 | 15 | 5 | 19 | 5 | 9 | 4 | 5 | 6 | 43 |
| 5 | 13 | 5 | 16 | 5 | 8 | 4 | 4 | 7 | 35 |
| 6 | 10 | 6 | 13 | 6 | 7 | 5 | 3 | 7 | 27 |
| 6 | 7 | 6 | 8 | 6 | 4 | 5 | 2 | 7 | 18 |
| 6 | 5 | 6 | 6 | 6 | 3 | 5 | 1 | 8 | 13 |
| 6 | 4 | 7 | 5 | 5 | 3 | 6 | 2 | 8 | 9 |
| 7 | 3 | 8 | 3 | 6 | 3 | 6 | 2 | 10 | 5 |
| 7 | 5 | 7 | 6 | 6 | 3 | 6 | 3 | 9 | 10 |
| 6 | 5 | 6 | 7 | 5 | 2 | 5 | 2 | 7 | 15 |
| 5 | 6 | 5 | 10 | 5 | 0 | 5 | 3 | 5 | 19 |
| 6 | 8 | 6 | 10 | 5 | 4 | 5 | 4 | 7 | 18 |
| 5 | 6 | 5 | 9 | 5 | 3 | 5 | 4 | 6 | 16 |
| 5 | 7 | 5 | 9 | 4 | 3 | 5 | 5 | 6 | 16 |
| 5 | 5 | 5 | 8 | 4 | 1 | 4 | 4 | 6 | 13 |
| 4 | 6 | 4 | 7 | 4 | 3 | 3 | 5 | 6 | 11 |
| 5 | 6 | 5 | 8 | 4 | 2 | 4 | 5 | 7 | 12 |
| 5 | 7 | 6 | 9 | 4 | 4 | 4 | 5 | 8 | 14 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| May | 87 | 116 | 129 | 122 | 121 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 146 | 122 | 120 | 165 | 181 | 179 | 183 |
| June | 87 | 117 | 132 | 122 | 120 | 110 | 115 | 116 | 120 | 109 | 116 | 108 | 116 | 128 | 154 | 123 | 120 | 166 | 182 | 182 | 187 |
| July | 87 | 118 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 110 | 118 | 108 | 116 | 129 | 158 | 125 | 121 | 168 | 184 | 183 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 121 | 110 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 166 | 124 | 122 | 169 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 117 | 118 | 123 | 110 | 117 | 108 | 115 | 131 | 164 | 125 | 123 | 171 | 193 | 187 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 117 | 119 | 122 | 111 | 117 | 109 | 115 | 132 | 162 | 125 | 123 | 171 | 194 | 187 | 189 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 116 | 119 | 122 | 112 | 116 | 109 | 114 | 133 | 159 | 124 | 122 | 171 | 191 | 191 | 195 |
| Dec. | 87 | 121 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 110 | 114 | 134 | 158 | 127 | 123 | 171 | 193 | 196 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 117 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 157 | 127 | 122 | 170 | 192 | 199 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 125 | 112 | 118 | 122 | 123 | 114 | 117 | 112 | 115 | 137 | 156 | 128 | 123 | 174 | 197 | 203 | 202 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 118 | 122 | 124 | 114 | 118 | 113 | 116 | 137 | 162 | 130 | 125 | 172 | 201 | 203 | 205 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 118 | 122 | 123 | 114 | 117 | 113 | 115 | 136 | 170 | 128 | 126 | 172 | 202 | 199 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 119 | 123 | 125 | 114 | 118 | 113 | 116 | 136 | 176 | 129 | 128 | 174 | 205 | 197 | 202 |
| June | 88 | 123 | 135 | 129 | 126 | 114 | 119 | 124 | 127 | 114 | 118 | 114 | 116 | 138 | 178 | 131 | 129 | 175 | 206 | 200 | 208 |
| July | 88 | 123 | 133 | 129 | 125 | 113 | 121 | 125 | 127 | 115 | 119 | 115 | 116 | 138 | 179 | 132 | 129 | 177 | 209 | 199 | 209 |
| Aug. | 88 | 124 | 135 | 130 | 124 | 115 | 121 | 125 | 127 | 115 | 119 | 114 | 117 | 138 | 180 | 132 | 131 | 180 | 215 | 203 | 212 |
| Sept. | 88 | 124 | 133 | 130 | 125 | 115 | 121 | 126 | 129 | 115 | 118 | 113 | 117 | 139 | 178 | 136 | 131 | 181 | 217 | 203 | 209 |
| Oct. | 88 | 125 | 135 | 130 | 125 | 114 | 121 | 125 | 130 | 116 | 118 | 113 | 117 | 140 | 179 | 136 | 129 | 180 | 218 | 206 | 212 |
| Nov. | 88 | 125 | 135 | 131 | 125 | 115 | 122 | 127 | 131 | 116 | 120 | | 116 | 141 | 180 | 136 | 131 | 184 | 219 | 206 | 216 |
| Dec. | 88 | 125 | 137 | 131 | 125 | 116 | 122 | 127 | 131 | 117 | 119 | | 118 | 143 | 185 | 138 | 130 | 184 | 218 | 206 | 220 |
| Jan. | 89 | 126 | 138 | | | 116 | | | 132 | | | | | | | | | 182 | 220 | 209 | 221 |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 6 | 5 | 5 | 2 | 2 | 1 | 35 | 4 | 9 | 13 | 16 | 12 | 13 |
| June | 87 | 4 | 11 | 6 | 5 | 3 | 4 | 5 | 6 | 5 | 5 | 2 | 3 | 3 | 44 | 6 | 8 | 12 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 6 | 5 | 6 | 6 | 7 | 1 | 2 | 5 | 44 | 8 | 9 | 12 | 14 | 12 | 15 |
| Aug. | 87 | 5 | 9 | 6 | 5 | 4 | 6 | 5 | 6 | 6 | 5 | 0 | −1 | 5 | 50 | 6 | 9 | 12 | 16 | 8 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 40 | 7 | 10 | 12 | 20 | 13 | 21 |
| Oct. | 87 | 6 | 7 | 7 | 5 | 3 | 5 | 6 | 4 | 6 | 3 | 3 | 0 | 7 | 30 | 5 | 8 | 10 | 18 | 11 | 9 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 2 | 6 | 3 | 6 | 0 | 3 | −1 | 7 | 20 | 4 | 6 | 8 | 13 | 14 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 5 | 4 | 2 | 7 | 3 | 6 | 0 | 3 | −1 | 7 | 13 | 7 | 5 | 6 | 13 | 16 | 15 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 7 | 3 | 7 | 2 | 6 | −2 | 8 | 9 | 7 | 3 | 4 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 7 | 4 | 6 | 0 | 6 | −1 | 10 | 4 | 7 | 4 | 8 | 12 | 19 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 7 | 5 | 6 | 2 | 7 | 1 | 9 | 10 | 8 | 6 | 4 | 14 | 16 | 15 |
| Apr. | 88 | 6 | 1 | 5 | 4 | 3 | 3 | 6 | 3 | 6 | 1 | 7 | 0 | 7 | 16 | 5 | 6 | 4 | 12 | 10 | 8 |
| May | 88 | 5 | 0 | 5 | 4 | 3 | 4 | 6 | 4 | 5 | 2 | 6 | 1 | 6 | 21 | 4 | 8 | 4 | 14 | 6 | 8 |
| June | 88 | 5 | 4 | 5 | 4 | 4 | 4 | 7 | 7 | 4 | 2 | 7 | 1 | 7 | 19 | 7 | 9 | 5 | 12 | 7 | 12 |
| July | 88 | 5 | 1 | 5 | 1 | 3 | 5 | 7 | 6 | 4 | 2 | 7 | 2 | 6 | 18 | 8 | 8 | 6 | 13 | 5 | 11 |
| Aug. | 88 | 4 | 3 | 4 | 1 | 5 | 5 | 7 | 6 | 4 | 3 | 5 | 3 | 5 | 17 | 7 | 10 | 8 | 17 | 8 | 13 |
| Sept. | 88 | 4 | 1 | 4 | 1 | 4 | 4 | 7 | 8 | 3 | 1 | 3 | 3 | 6 | 13 | 11 | 8 | 8 | 16 | 6 | 7 |
| Oct. | 88 | 4 | 3 | 4 | 0 | 3 | 5 | 4 | 9 | 4 | 1 | 2 | 3 | 5 | 12 | 11 | 4 | 7 | 15 | 7 | 9 |
| Nov. | 88 | 4 | 3 | 4 | 0 | 4 | 4 | 6 | 9 | 4 | 4 | | 4 | 6 | 12 | 8 | 6 | 10 | 14 | 6 | 11 |
| Dec. | 88 | 4 | 5 | 4 | 1 | 4 | 5 | 5 | 8 | 4 | 1 | | 4 | 8 | 16 | 11 | 4 | 8 | 11 | 4 | 13 |
| Jan. | 89 | 5 | 6 | | | 4 | | | 9 | | | | | | | | | 6 | 11 | 7 | 12 |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

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5/10/89

The Conference Board

*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** — **April 1989**

## SUMMARY

*Worldwide,* the business cycle expansion keeps rolling along. Based on the leading indexes, future prospects have strengthened slightly.

*Regionally,* the familiar pattern of the past year and a half continues: North America and Europe are still looking for solid but unspectacular growth, but the economic advance in the Pacific Region appears to be headed for hot times.

*Nationally,* Canada and Australia are the only soft spots. Although the Canadian economy has continued to advance at a respectable pace, its leading index has remained essentially unchanged for a year. Australia shows a nearly identical pattern, except that the leading index has been flat for only about half a year. Elsewhere, the growth rates of the leaders range from 3 percent in the U.K. to a rousing 13 percent in Japan.

*Interpretation:* There has been a good bit of talk for some time now, both here in the United States and around the industrial world, that prosperity's day's are numbered. Well, we agree in the sense that there's no reason to think the business cycle is dead. But although recession will come again to every country, there's nothing in the leading indicators to suggest that a downturn is near at hand in any of the 10 nations covered in this report.

**Summary Of Growth Rates, Ten Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | Current Reading on the Cycle | Latest Month Covered |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 5 | 5 | 5 | 6 | 5 | 8 | Expansion continuing | Jan. |
| 9 countries excl. U.S. | 3 | 6 | 5 | 5 | 9 | 7 | 9 | Expansion continuing | Jan. |
| North America (2) | 3 | 5 | 4 | 5 | 1 | 3 | 6 | Expansion continuing | Jan. |
| Europe (4) | 2 | 5 | 4 | 5 | 4 | 5 | 7 | Expansion continuing | Jan. |
| Pacific Region (4) | 4 | 7 | 7 | 6 | 15 | 10 | 12 | Expansion continuing, leaders strong | Jan. |
| United States | 3 | 4 | 4 | 6 | 3 | 3 | 4 | Expansion continuing | Feb. |
| Canada | 3 | 5 | 4 | 4 | 1 | 0 | 1 | Expansion continuing, leaders weak | Jan. |
| West Germany | 2 | 5 | 4 | 4 | 5 | 5 | 7 | Expansion continuing | Feb./Jan. |
| France | 2 | 7 | 6 | 7 | 6 | 9 | 8 | Expansion continuing | Jan./Feb. |
| United Kingdom | 2 | 5 | 6 | 5 | 2 | 2 | 3 | Expansion continuing | Jan. |
| Italy | 2 | 7 | 7 | 2 | 2 | 3 | 5 | Expansion continuing | Oct./Jan. |
| Japan | 4 | 7 | 6 | 5 | 16 | 11 | 13 | Expansion continuing, leaders strong | Jan. |
| Australia | 3 | 8 | 11 | 10 | 8 | 4 | 2 | Expansion continuing | Jan. |
| Taiwan, R.O.C. | 8 | 8 | 10 | 7 | 17 | 14 | 9 | Expansion continuing | Feb. |
| Korea, R.O.K. | 7 | 8 | 6 | 8 | 13 | 10 | 8 | Expansion continuing | Feb. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**
845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| May | 87 | 117 | 128 | 118 | 127 | 117 | 128 | 111 | 116 | 129 | 144 |
| June | 87 | 118 | 130 | 119 | 130 | 117 | 131 | 111 | 117 | 131 | 152 |
| July | 87 | 119 | 132 | 120 | 131 | 118 | 131 | 112 | 118 | 132 | 155 |
| Aug. | 87 | 119 | 133 | 120 | 134 | 118 | 131 | 112 | 118 | 133 | 162 |
| Sept. | 87 | 120 | 134 | 121 | 134 | 119 | 132 | 112 | 118 | 134 | 162 |
| Oct. | 87 | 121 | 133 | 121 | 134 | 120 | 131 | 113 | 118 | 134 | 162 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 130 | 113 | 117 | 135 | 159 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 136 | 158 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 115 | 118 | 137 | 158 |
| Feb. | 88 | 123 | 132 | 125 | 132 | 122 | 132 | 115 | 118 | 140 | 157 |
| Mar. | 88 | 124 | 134 | 125 | 135 | 122 | 132 | 116 | 119 | 140 | 162 |
| Apr. | 88 | 124 | 135 | 125 | 136 | 123 | 132 | 116 | 119 | 139 | 167 |
| May | 88 | 124 | 136 | 125 | 138 | 123 | 131 | 116 | 120 | 139 | 171 |
| June | 88 | 125 | 138 | 126 | 140 | 124 | 134 | 117 | 120 | 142 | 173 |
| July | 88 | 125 | 138 | 127 | 140 | 124 | 133 | 118 | 121 | 142 | 175 |
| Aug. | 88 | 126 | 139 | 127 | 142 | 124 | 134 | 118 | 121 | 142 | 177 |
| Sept. | 88 | 126 | 138 | 128 | 141 | 124 | 133 | 118 | 122 | 144 | 176 |
| Oct. | 88 | 127 | 139 | 128 | 141 | 125 | 134 | 118 | 122 | 144 | 175 |
| Nov. | 88 | 128 | 139 | 130 | 142 | 125 | 134 | 120 | 123 | 145 | 176 |
| Dec. | 88 | 128 | 141 | 130 | 143 | 126 | 136 | 120 | 123 | 146 | 180 |
| Jan. | 89 | 129 | 142 | 130 | 145 | 127 | 137 | 120 | 125 | 146 | 181 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 4 | 11 | 3 | 14 | 4 | 8 | 4 | 4 | 3 | 29 |
| 4 | 14 | 4 | 17 | 4 | 11 | 4 | 5 | 4 | 37 |
| 5 | 14 | 5 | 17 | 5 | 10 | 4 | 5 | 6 | 37 |
| 5 | 15 | 5 | 19 | 5 | 9 | 4 | 5 | 6 | 42 |
| 5 | 13 | 5 | 17 | 5 | 8 | 4 | 4 | 7 | 36 |
| 6 | 10 | 6 | 13 | 6 | 6 | 5 | 3 | 7 | 28 |
| 6 | 7 | 6 | 9 | 6 | 4 | 5 | 1 | 7 | 20 |
| 6 | 5 | 6 | 7 | 6 | 3 | 5 | 1 | 8 | 14 |
| 6 | 4 | 6 | 5 | 5 | 3 | 6 | 2 | 8 | 10 |
| 7 | 4 | 8 | 4 | 6 | 3 | 6 | 2 | 10 | 6 |
| 7 | 4 | 7 | 6 | 6 | 3 | 6 | 3 | 10 | 10 |
| 6 | 5 | 6 | 7 | 5 | 2 | 5 | 2 | 7 | 13 |
| 5 | 5 | 5 | 8 | 5 | 0 | 5 | 3 | 6 | 16 |
| 6 | 7 | 6 | 9 | 5 | 4 | 6 | 4 | 8 | 16 |
| 5 | 6 | 6 | 9 | 5 | 3 | 5 | 4 | 7 | 15 |
| 5 | 7 | 6 | 9 | 4 | 3 | 5 | 4 | 6 | 16 |
| 5 | 5 | 6 | 8 | 4 | 1 | 5 | 4 | 7 | 12 |
| 5 | 5 | 5 | 7 | 4 | 3 | 4 | 5 | 7 | 10 |
| 5 | 5 | 6 | 7 | 4 | 3 | 6 | 5 | 7 | 10 |
| 5 | 7 | 6 | 8 | 4 | 4 | 5 | 5 | 7 | 12 |
| 5 | 8 | 5 | 9 | 5 | 6 | 5 | 7 | 8 | 12 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| May | 87 | 116 | 129 | 122 | 121 | 109 | 114 | 116 | 120 | 108 | 116 | 108 | 116 | 126 | 144 | 122 | 120 | 165 | 181 | 180 | 183 |
| June | 87 | 117 | 132 | 122 | 120 | 110 | 115 | 116 | 120 | 109 | 116 | 108 | 116 | 128 | 153 | 123 | 120 | 166 | 182 | 182 | 187 |
| July | 87 | 118 | 132 | 122 | 121 | 110 | 116 | 117 | 121 | 110 | 118 | 108 | 116 | 129 | 157 | 124 | 121 | 168 | 184 | 183 | 189 |
| Aug. | 87 | 118 | 132 | 123 | 121 | 111 | 117 | 117 | 121 | 110 | 117 | 107 | 114 | 130 | 165 | 124 | 122 | 169 | 187 | 181 | 182 |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 117 | 118 | 123 | 111 | 117 | 108 | 115 | 131 | 165 | 125 | 123 | 171 | 193 | 187 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 117 | 119 | 122 | 112 | 117 | 109 | 115 | 132 | 164 | 125 | 123 | 171 | 194 | 187 | 189 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 111 | 116 | 120 | 122 | 112 | 116 | 109 | 114 | 133 | 161 | 124 | 122 | 171 | 191 | 191 | 195 |
| Dec. | 87 | 121 | 132 | 126 | 123 | 112 | 116 | 120 | 122 | 112 | 116 | 110 | 114 | 134 | 160 | 127 | 123 | 171 | 193 | 196 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 117 | 121 | 122 | 113 | 117 | 111 | 114 | 134 | 158 | 127 | 122 | 170 | 192 | 199 | 202 |
| Feb. | 88 | 121 | 133 | 127 | 125 | 112 | 118 | 122 | 123 | 114 | 117 | 112 | 115 | 137 | 158 | 128 | 123 | 174 | 197 | 203 | 201 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 118 | 123 | 124 | 114 | 117 | 113 | 116 | 137 | 163 | 130 | 125 | 172 | 201 | 203 | 205 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 118 | 123 | 123 | 115 | 117 | 113 | 115 | 137 | 169 | 128 | 126 | 172 | 202 | 199 | 201 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 119 | 124 | 125 | 115 | 118 | 113 | 116 | 136 | 174 | 128 | 128 | 174 | 205 | 198 | 203 |
| June | 88 | 123 | 135 | 129 | 126 | 114 | 119 | 125 | 127 | 115 | 118 | 114 | 116 | 139 | 176 | 131 | 129 | 175 | 206 | 200 | 208 |
| July | 88 | 123 | 133 | 129 | 125 | 114 | 121 | 125 | 127 | 116 | 118 | 115 | 116 | 139 | 178 | 132 | 129 | 177 | 209 | 199 | 209 |
| Aug. | 88 | 124 | 135 | 130 | 124 | 115 | 121 | 126 | 127 | 116 | 118 | 114 | 117 | 139 | 180 | 132 | 131 | 180 | 215 | 203 | 212 |
| Sept. | 88 | 124 | 134 | 130 | 125 | 115 | 121 | 127 | 129 | 117 | 118 | 113 | 117 | 140 | 178 | 136 | 131 | 181 | 217 | 204 | 209 |
| Oct. | 88 | 125 | 135 | 130 | 125 | 115 | 121 | 127 | 130 | 118 | 118 | 113 | 117 | 141 | 178 | 136 | 129 | 180 | 218 | 206 | 212 |
| Nov. | 88 | 125 | 135 | 131 | 125 | 115 | 122 | 129 | 131 | 119 | 120 | | 116 | 142 | 178 | 136 | 131 | 184 | 219 | 206 | 216 |
| Dec. | 88 | 125 | 137 | 131 | 126 | 116 | 123 | 129 | 131 | 119 | 119 | | 118 | 143 | 182 | 138 | 129 | 184 | 218 | 206 | 220 |
| Jan. | 89 | 126 | 138 | 132 | 126 | 116 | 124 | 129 | 133 | 119 | 120 | | 119 | 143 | 184 | 139 | 129 | 185 | 219 | 209 | 222 |
| Feb. | 89 | 127 | 138 | | | 117 | | | 133 | | | | | | | | | 185 | 220 | 211 | 219 |
| Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| May | 87 | 4 | 8 | 6 | 6 | 3 | 3 | 5 | 6 | 5 | 6 | 2 | 2 | 1 | 33 | 4 | 10 | 13 | 16 | 13 | 13 |
| June | 87 | 4 | 11 | 6 | 5 | 3 | 4 | 6 | 6 | 5 | 5 | 2 | 3 | 3 | 42 | 6 | 8 | 12 | 15 | 13 | 16 |
| July | 87 | 5 | 10 | 6 | 6 | 3 | 6 | 6 | 6 | 6 | 7 | 1 | 2 | 5 | 43 | 7 | 9 | 12 | 14 | 12 | 15 |
| Aug. | 87 | 5 | 9 | 6 | 5 | 4 | 6 | 5 | 6 | 6 | 4 | 0 | −1 | 5 | 50 | 6 | 9 | 12 | 16 | 8 | 5 |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 7 | 5 | 3 | 1 | 0 | 6 | 40 | 7 | 10 | 12 | 20 | 13 | 21 |
| Oct. | 87 | 6 | 7 | 7 | 5 | 3 | 5 | 6 | 4 | 6 | 2 | 3 | 0 | 6 | 32 | 5 | 8 | 10 | 18 | 11 | 9 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 2 | 6 | 3 | 6 | 0 | 3 | −1 | 7 | 22 | 4 | 5 | 8 | 13 | 13 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 5 | 4 | 2 | 7 | 3 | 6 | 0 | 3 | −1 | 7 | 16 | 7 | 5 | 6 | 13 | 16 | 14 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 7 | 3 | 7 | 2 | 6 | −2 | 8 | 10 | 6 | 4 | 4 | 9 | 18 | 16 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 7 | 4 | 6 | 1 | 6 | −1 | 10 | 6 | 7 | 4 | 8 | 12 | 19 | 13 |
| Mar. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 7 | 5 | 6 | 2 | 7 | 1 | 10 | 10 | 9 | 5 | 4 | 14 | 16 | 15 |
| Apr. | 88 | 6 | 1 | 5 | 4 | 3 | 3 | 7 | 3 | 6 | 0 | 7 | 0 | 7 | 14 | 5 | 7 | 4 | 12 | 10 | 8 |
| May | 88 | 5 | 0 | 5 | 4 | 3 | 4 | 7 | 4 | 6 | 2 | 6 | 1 | 6 | 17 | 4 | 8 | 4 | 14 | 7 | 9 |
| June | 88 | 5 | 4 | 5 | 4 | 4 | 4 | 7 | 7 | 5 | 2 | 7 | 1 | 8 | 17 | 7 | 9 | 5 | 12 | 7 | 12 |
| July | 88 | 5 | 1 | 5 | 1 | 3 | 5 | 7 | 6 | 5 | 2 | 7 | 2 | 7 | 16 | 8 | 8 | 6 | 13 | 5 | 11 |
| Aug. | 88 | 4 | 3 | 4 | 1 | 5 | 5 | 7 | 6 | 4 | 2 | 5 | 3 | 6 | 16 | 7 | 10 | 8 | 17 | 8 | 13 |
| Sept. | 88 | 4 | 1 | 4 | 1 | 4 | 4 | 8 | 8 | 5 | 1 | 3 | 3 | 6 | 13 | 11 | 8 | 8 | 16 | 6 | 7 |
| Oct. | 88 | 4 | 3 | 4 | 0 | 3 | 5 | 6 | 8 | 6 | 2 | 2 | 3 | 6 | 11 | 11 | 4 | 7 | 15 | 7 | 8 |
| Nov. | 88 | 4 | 3 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 4 | | 3 | 7 | 10 | 8 | 6 | 10 | 14 | 6 | 10 |
| Dec. | 88 | 4 | 5 | 4 | 1 | 4 | 5 | 7 | 8 | 6 | 2 | | 4 | 7 | 13 | 10 | 3 | 8 | 11 | 4 | 12 |
| Jan. | 89 | 5 | 6 | 4 | 1 | 4 | 7 | 7 | 9 | 5 | 3 | | 5 | 5 | 13 | 10 | 2 | 9 | 10 | 7 | 13 |
| Jan. | 89 | 6 | 4 | | | 4 | | | 8 | | | | | | | | | 7 | 9 | 8 | 8 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| **1976-86** | | **3** | **3** | **3** | **3** | **2** | **2** | **2** | **2** | **2** | **2** | **2** | **2** | **4** | **4** | **3** | **3** | **8** | **8** | **7** | **7** |

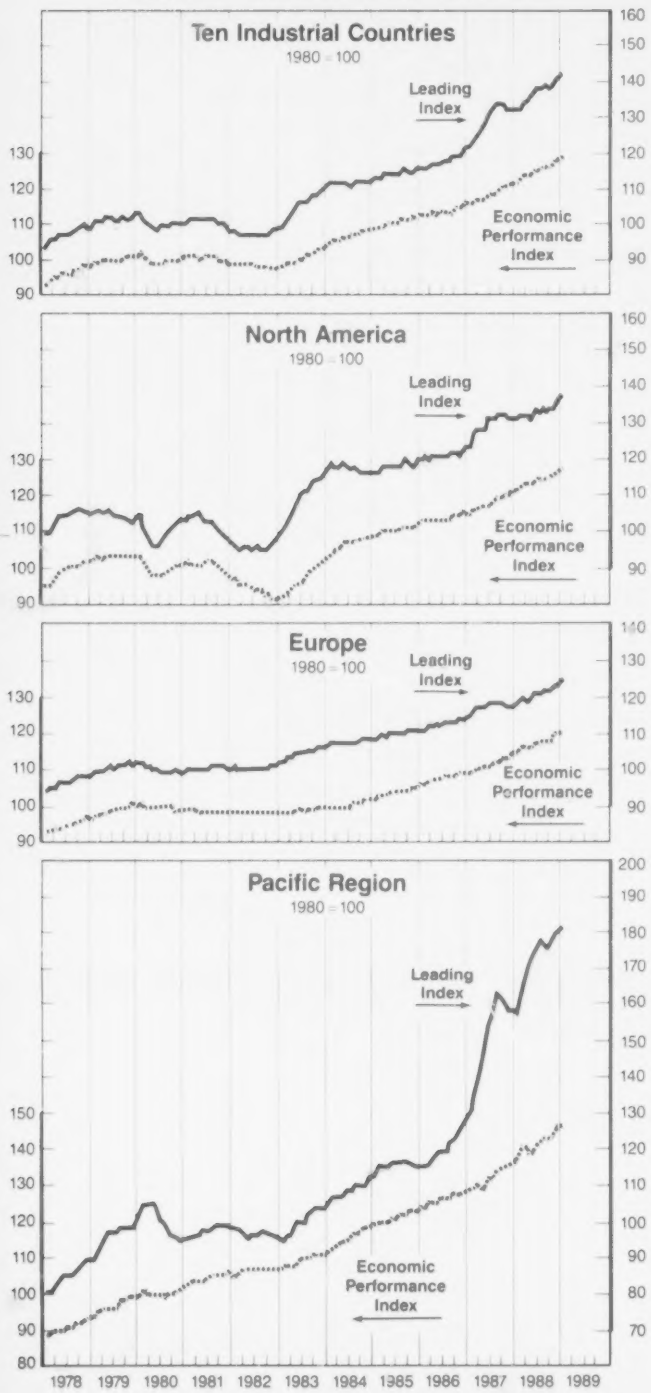
The Conference Board

*Economic and Business Environment Program*

# International Economic Scoreboard

A Quarterly Report from The Conference Board — Second Quarter 1989

## WORLD BUSINESS CYCLE




The business cycle indexes for the world's major industrial countries have been advancing so steadily and so persistently that it's hard to get interested in another round of good news. But that's what we've got, and it can't be discounted. The 10-country leading index is growing at 8 percent, the highest reading in more than a year. Furthermore, every growth rate shown in the Summary Table (p.2) is a positive number, and of the latest numbers all but one (Canada's leading index) show a respectable pace of advance.

Once again, the Pacific Region is experiencing the greatest exuberance, with a growth rate for the leading index that's twice as fast as North America and Europe. Among individual countries, Japan leads the parade with a rousing 13 percent growth rate. Other nations with strong expansion signals are Taiwan (9 percent), South Korea and France (each 8 percent) and West Germany (7 percent). The only possible question marks are Canada, where the leading index has been flat for a year, and Australia, where the leaders have been flat for about half a year.



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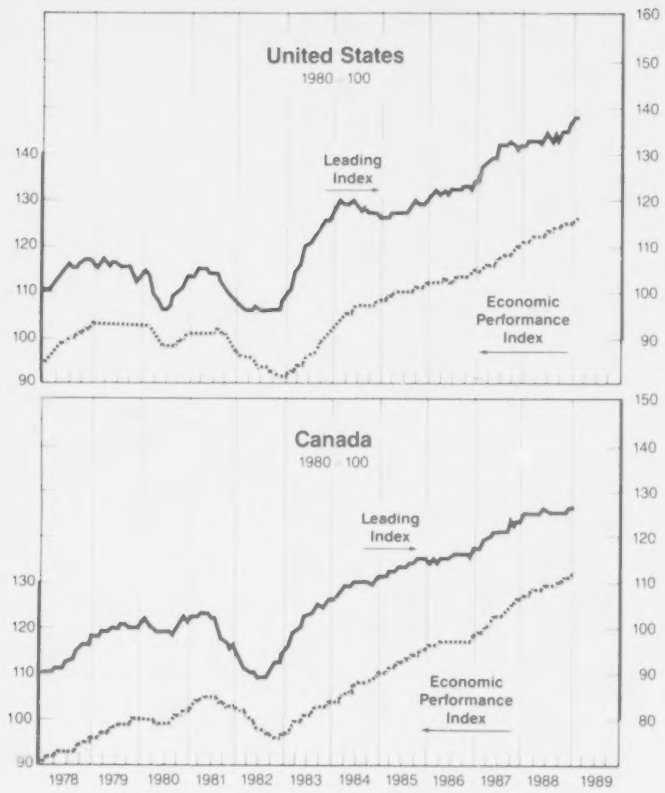
## NORTH AMERICAN COUNTRIES




The leading index for the United States continues to move upward, with higher materials and common stock prices leading the way. The latest growth rate is a more-than-respectable 6 percent. With the economy operating so close to capacity, inflation is much more of an immediate threat than recession.

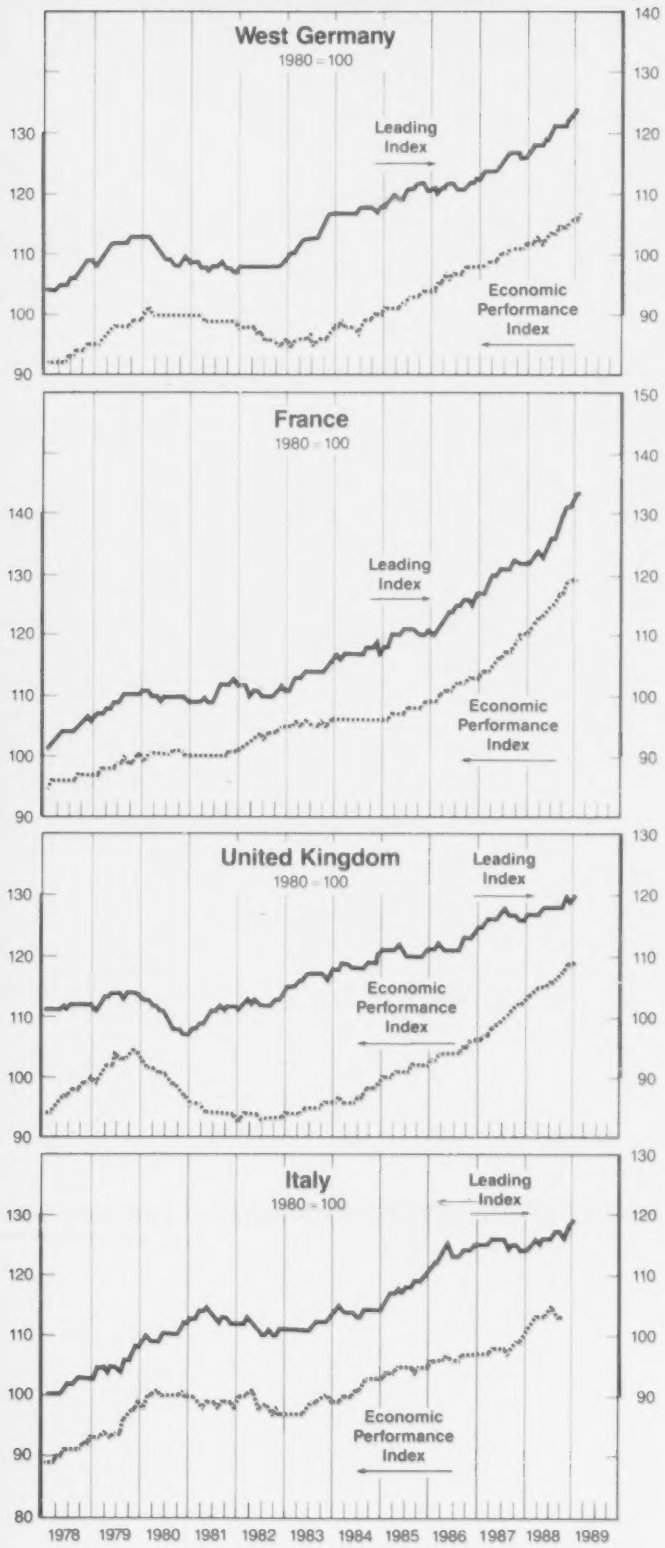
The Canadian economy continues to move ahead on its long expansion path, despite the indecisive trend of the leaders. Among the component leading indicators, the two new orders series—for consumer goods and for machinery and equipment—have contributed the most weakness to the composite index in recent months.

### Summary Of Growth Rates, Ten Industrial Countries

| | *Ten-year Growth Rate* | *Indexes of Economic Performance Growth Rates** | | | *Leading Business Cycle Indexes Growth Rates** | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | *6 mos. ago* | *3 mos. ago* | *Latest month* | *6 mos. ago* | *3 mos. ago* | *Latest month* | *Current Reading on the Cycle* | *Latest Month Covered* |
| | *1976-86* | *annual rates, percent* | | | | | | | |
| Ten countries | 3 | 5 | 5 | 5 | 6 | 5 | 8 | Expansion continuing | Jan. |
| 9 countries excl. U.S. | 3 | 6 | 5 | 5 | 9 | 7 | 9 | Expansion continuing | Jan. |
| North America (2) | 3 | 5 | 4 | 5 | 1 | 3 | 6 | Expansion continuing | Jan. |
| Europe (4) | 2 | 5 | 4 | 5 | 4 | 5 | 7 | Expansion continuing | Jan. |
| Pacific Region (4) | 4 | 7 | 7 | 6 | 15 | 10 | 12 | Expansion continuing, leaders strong | Jan. |
| United States | 3 | 4 | 4 | 6 | 3 | 3 | 4 | Expansion continuing | Feb. |
| Canada | 3 | 5 | 4 | 4 | 1 | 0 | 1 | Expansion continuing, leaders weak | Jan. |
| West Germany | 2 | 5 | 4 | 4 | 5 | 5 | 7 | Expansion continuing | Feb./Jan. |
| France | 2 | 7 | 6 | 7 | 6 | 9 | 8 | Expansion continuing | Jan./Feb. |
| United Kingdom | 2 | 5 | 6 | 5 | 2 | 2 | 3 | Expansion continuing | Jan. |
| Italy | 2 | 7 | 7 | 2 | 2 | 3 | 5 | Expansion continuing | Oct./Jan. |
| Japan | 4 | 7 | 6 | 5 | 16 | 11 | 13 | Expansion continuing, leaders strong | Jan. |
| Australia | 3 | 8 | 11 | 10 | 8 | 4 | 2 | Expansion continuing | Jan. |
| Taiwan, R.O.C. | 8 | 8 | 10 | 7 | 17 | 14 | 9 | Expansion continuing | Feb. |
| Korea, R.O.K. | 7 | 8 | 6 | 8 | 13 | 10 | 8 | Expansion continuing | Feb. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

## EUROPEAN COUNTRIES



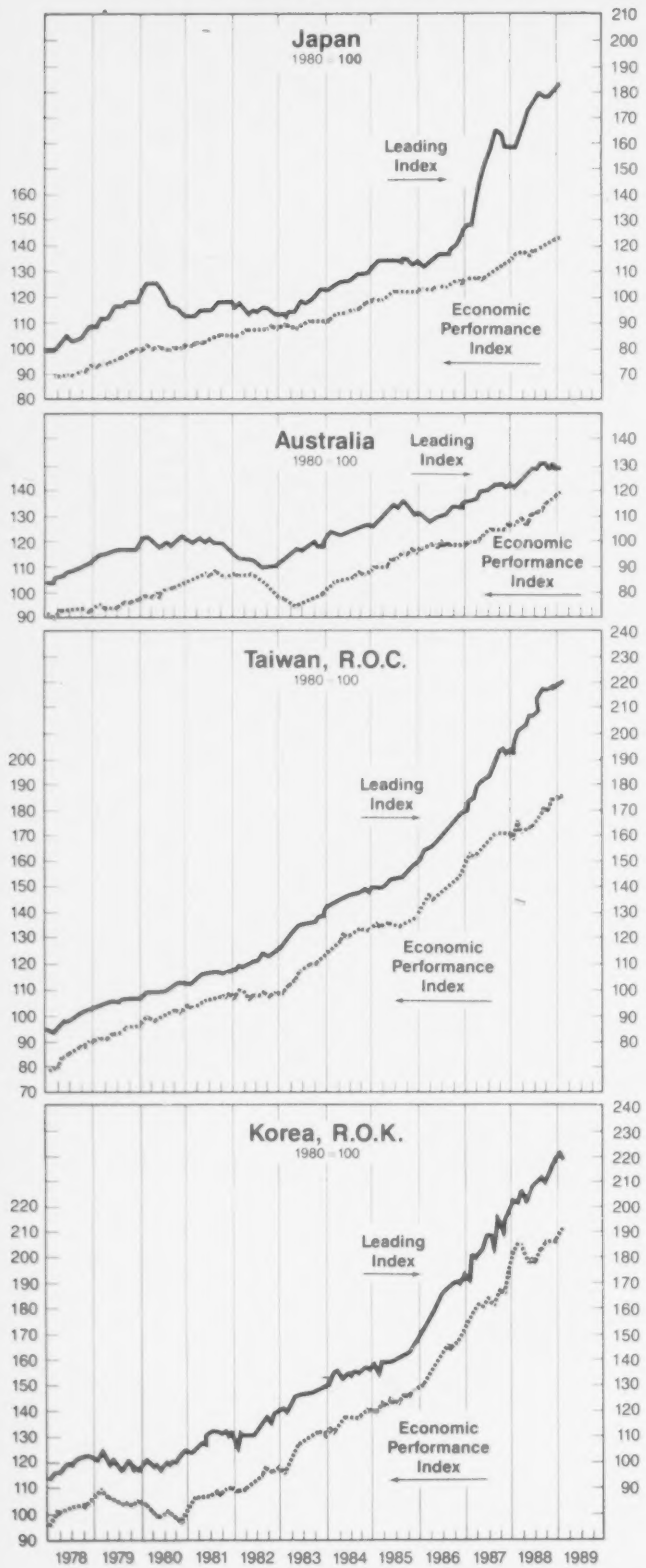

In West Germany, the business cycle shows the same persistent advance as is seen in the rest of the industrial world. Since our last report the outlook has strengthened somewhat, with the leading index showing a solid 7 percent growth rate, up from 4 percent three months ago. The acceleration of the leaders was paced by materials prices and common stock prices.

The French economy is the most robust in Europe these days. The performance index is advancing at a 7 percent rate, and the leading index at a spirited 8 percent.

Prospects for the U.K. economy have improved. At the time of our previous report, the leading index was weak (declining at a 1 percent rate). That figure has now been revised to a 2 percent growth rate, and the latest is a more adequate 3 percent growth rate. Consequently, the caution expressed last time about chances the upswing would not continue can be set aside again.

The Italian indicators (always thin and always late, and thus always tenuous) look a bit more encouraging this time. The leading index, which was rising at a 3 percent rate three months ago, now registers a more sturdy 5 percent growth rate.

## PACIFIC REGION COUNTRIES




The Japanese statistics continue to set the pace for the industrial world. The overall growth rate of the economy is an unremarkable 5 percent, but Japan's leading index is climbing at a 13 percent pace. Thirteen percent is not all that unusual a rate for Japan, but coming as it does after a phenomenal climb of more than two years duration (see top line on accompanying chart) it is an impressive number.

In Australia, the economy continues to advance briskly. Since last June, however, the leading index has cooled off, especially materials prices and common stock prices. The movement of those two price series represents a puzzling contrast to the rest of the industrial world, where both materials and stock prices have been climbing almost without exception. (Is that why it's called "down under"?!!)

The business cycle outlook for Taiwan, R.O.C., still looks very favorable. The performance index is advancing at a 7 percent rate, and the leading index at 9 percent, both very solid (although not-out-of-the-ordinary) numbers for this country.

The economic outlook for South Korea, R.O.K., is almost a twin to Taiwan's. Both of South Korea's indexes show a growth rate of 8 percent, not outstanding for this newly industrializing country, but encouraging nonetheless.

## U.S. TRADE WITH EUROPE: THE GOOD NEWS AND THE BAD NEWS.

The good news about the trade balance in January was that the U.S. ran a slight trade surplus with Western Europe, the first American trade surplus with that area in more than five years. The U.S. deficit with the United Kingdom in December became a surplus in January, the deficit with West Germany was nearly halved and there was a small surplus with France. The Commerce Department's report on the reduction in the overall trade deficit and the small surplus with the European Economic Community had favorable effects on the dollar as well as on stock prices. However, one swallow does not make a summer. How lasting is this change? Will the improvement carry on through 1989, or are these January numbers an aberration?

The Scoreboard's leading indicators can help to answer this question. Our leading index for Europe covers the four major countries: France, West Germany, Italy, and the United Kingdom. That index should tell us about the prospects for U.S. exports to those areas. The index was, of course, designed to lead movements in business activity in Europe, specifically to tell us when business there is about to pick up or to slow down. Such movements obviously affect U.S. exports. Similarly, the U.S. leading index bears on the outlook for U.S. imports, including those from Europe. In addition, the decline in the dollar's exchange rate of 40 percent against the D-mark, 33 percent against the franc, 31 percent against the lira, and 28 percent against the pound from 1985 through the end of 1988 has had a positive impact on U.S. exports. It turns out, however, that the dollar's decline has had little or no impact on U.S. imports from Europe.

When these relationships are assembled into a couple of forecasting equations, they work pretty well. Year-to-year growth in U.S. exports to Europe is forecast, as shown on the first chart, using the growth rate in the European leading index as of the preceding September and the growth rate in the dollar exchange rate as of the preceding July. For 1989 the forecast calls for a 13 percent gain. Correspondingly, U.S. imports from Europe are forecast, as shown in the second chart, using the preceding September growth rate in the leading index for the U.S. economy. For 1989 this relationship forecasts an 11 percent increase in U.S. imports from Europe.

We then use the results from the first two relationships to calculate the forecast and actual U.S. trade balance with Europe for the years 1978 through 1989. The forecast values are derived from the estimated percent changes in U.S. exports and imports in Charts 1 and 2, converted to dollar amounts. As Chart 3 discloses, the relationship between the forecast and actual balances is a very close one. In fact, the correlation coefficient ($r^2$) is 97 percent.

What does this tell us about 1989? Here the news is not so good. The forecast 11 percent increase in U.S. imports from Europe, expressed in dollars, more than matches the forecast 13 percent increase in U.S. exports to Europe. Hence we should expect a further small increase in our trade deficit with Europe, some $32 billion in all. In other words, the bad news is that the good news reported for January probably was a fluke.

## THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

This publication is designed to help readers monitor the ups and downs of the business cycle around the world. To this end, two types of index are shown for each country: an index of economic performance and a leading index. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call "coincident" series, because they *define* the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus, the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see "What the Leading Indicators Indicate," *Across The Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of the lead is to be expected, however. Constant monitoring is needed to make effective use of the system and to get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

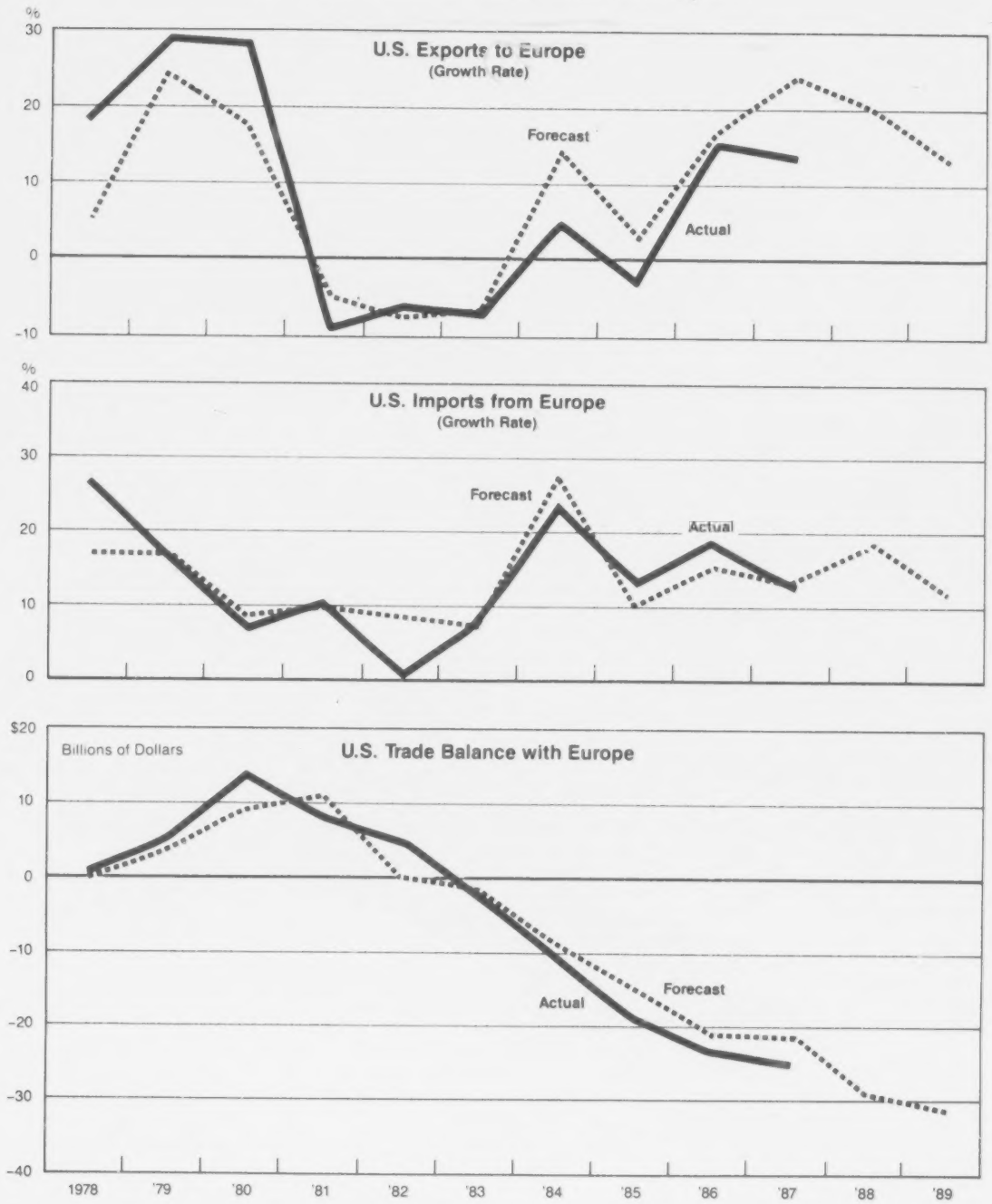
The indexes were developed by Geoffrey H. Moore and Philip A. Klein, and are maintained by the Center for International Business Cycle Research at the Columbia Business School. (The U.S. indexes used here differ slightly from the indexes reported monthly by the U.S. Dept. of Commerce.) To facilitate analysis the indexes are adjusted so their long-run growth rates are equal to those in real GNP in the country concerned. These growth rates are shown in the first column of the table on page 2 of the quarterly version of the *Scoreboard*.

### For More Information

To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

Center for International Business Cycle Research
Columbia Business School
New York, New York 10027
Telephone: 212-280-2916

## United States Trade with Europe

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*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** **May 1989**

## SUMMARY

*Worldwide*, the long expansion continues. "Steady as she goes" is the appropriate slogan for the global business cycle.

*Regionally*, the latest data confirm the persistent tendency for a stronger pace of advance in the Pacific Region than in North America and Europe.

*Nationally*, the leading indexes show extra exuberance in two countries—Taiwan and Korea, the perennial front-runners--and sluggishness in two others—Canada and Australia. The Australian situation is a puzzlement, because the leveling off in the leaders is contradicted by great vigor in the economic performance index. But the significant point is that there's no real weakness—i.e., no negative rates of change—to be found in either index for any of the ten countries.

*Interpretation:* The news-media stories about the economy, especially here in the United States, have had a distinctly pessimistic tone to them for a couple of months now. The business-cycle indicators, however, do not support such an interpretation, at least not to the point of suggesting a substantial risk of recession near term. And with most industrial economies operating close to full capacity, inflation is bubbling up. Here too, however, because the pace of economic advance remains moderate in the large countries, the odds are against a virulent outbreak of the price disease.

### Summary Of Growth Rates, Ten Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | Current Reading on the Cycle | Latest Month Covered |
| | 1976-86 | annual rates, percent | | | | | | | |
| Ten countries | 3 | 5 | 5 | 5 | 7 | 5 | 7 | Expansion continuing | Feb. |
| 9 countries excl. U.S. | 3 | 6 | 6 | 5 | 9 | 7 | 7 | Expansion continuing | Feb. |
| North America (2) | 3 | 4 | 4 | 5 | 3 | 3 | 6 | Expansion continuing | Feb. |
| Europe (4) | 2 | 6 | 5 | 5 | 5 | 5 | 5 | Expansion continuing | Feb. |
| Pacific Region (4) | 4 | 6 | 7 | 6 | 16 | 10 | 9 | Expansion continuing | Feb. |
| United States | 3 | 4 | 4 | 5 | 1 | 5 | 5 | Expansion continuing | Mar. |
| Canada | 3 | 4 | 4 | 3 | 1 | 0 | 1 | Expansion continuing, leaders weak | Feb. |
| West Germany | 2 | 4 | 4 | 4 | 5 | 4 | 7 | Expansion continuing | Mar./Feb. |
| France | 2 | 8 | 8 | 6 | 7 | 8 | 5 | Expansion continuing | Feb./Mar. |
| United Kingdom | 2 | 5 | 7 | 6 | 2 | 4 | 2 | Expansion continuing | Feb. |
| Italy | 2 | 7 | 3 | 3 | 5 | 4 | 3 | Expansion continuing | Dec./Feb. |
| Japan | 4 | 6 | 7 | 11 | 13 | 13 | 6 | Expansion continuing | Mar. |
| Australia | 3 | 6 | 9 | 11 | 9 | 6 | 0 | Expansion continuing, leaders weak | Feb. |
| Taiwan, R.O.C. | 8 | 8 | 8 | 11 | 16 | 11 | 12 | Expansion continuing, leaders strong | Mar. |
| Korea, R.O.K. | 7 | 6 | 4 | 8 | 9 | 11 | 10 | Expansion continuing, leaders strong | Mar. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Sept. | 87 | 120 | 134 | 121 | 134 | 119 | 132 | 112 | 118 | 134 | 163 |
| Oct. | 87 | 121 | 133 | 122 | 134 | 120 | 131 | 113 | 118 | 135 | 161 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 130 | 114 | 117 | 135 | 159 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 137 | 158 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 131 | 115 | 118 | 137 | 158 |
| Feb. | 88 | 123 | 132 | 125 | 132 | 122 | 132 | 116 | 118 | 140 | 157 |
| Mar. | 88 | 124 | 134 | 126 | 135 | 122 | 132 | 116 | 119 | 140 | 162 |
| Apr. | 88 | 124 | 135 | 125 | 136 | 123 | 132 | 116 | 119 | 140 | 167 |
| May | 88 | 124 | 136 | 126 | 138 | 123 | 131 | 117 | 120 | 140 | 171 |
| June | 88 | 125 | 138 | 127 | 140 | 124 | 134 | 118 | 120 | 142 | 173 |
| July | 88 | 126 | 138 | 127 | 140 | 124 | 133 | 118 | 121 | 142 | 175 |
| Aug. | 88 | 126 | 139 | 128 | 142 | 124 | 134 | 118 | 121 | 142 | 177 |
| Sept. | 88 | 126 | 138 | 128 | 141 | 124 | 133 | 119 | 122 | 144 | 176 |
| Oct. | 88 | 127 | 139 | 129 | 141 | 125 | 134 | 119 | 122 | 144 | 176 |
| Nov. | 88 | 128 | 139 | 130 | 142 | 125 | 134 | 120 | 123 | 146 | 176 |
| Dec. | 88 | 128 | 141 | 130 | 143 | 126 | 136 | 120 | 123 | 146 | 180 |
| Jan. | 89 | 129 | 142 | 130 | 145 | 127 | 138 | 121 | 125 | 146 | 181 |
| Feb. | 89 | 129 | 142 | 131 | 144 | 127 | 138 | 121 | 124 | 147 | 181 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 5 | 13 | 5 | 17 | 5 | 8 | 5 | 4 | 7 | 36 |
| 6 | 10 | 6 | 13 | 6 | 6 | 5 | 3 | 7 | 28 |
| 6 | 7 | 6 | 9 | 6 | 4 | 5 | 1 | 7 | 20 |
| 6 | 5 | 7 | 7 | 6 | 3 | 6 | 1 | 8 | 14 |
| 6 | 4 | 7 | 5 | 5 | 3 | 6 | 2 | 8 | 10 |
| 7 | 4 | 8 | 4 | 6 | 3 | 6 | 2 | 10 | 6 |
| 7 | 5 | 8 | 6 | 6 | 3 | 6 | 3 | 10 | 10 |
| 6 | 5 | 6 | 7 | 5 | 2 | 6 | 2 | 7 | 13 |
| 5 | 5 | 6 | 8 | 5 | 0 | 6 | 3 | 7 | 16 |
| 6 | 7 | 7 | 9 | 5 | 4 | 6 | 4 | 8 | 15 |
| 5 | 6 | 6 | 9 | 5 | 3 | 6 | 4 | 7 | 15 |
| 5 | 7 | 6 | 9 | 4 | 3 | 6 | 5 | 6 | 16 |
| 5 | 5 | 6 | 8 | 4 | 1 | 5 | 4 | 7 | 12 |
| 5 | 6 | 5 | 7 | 4 | 3 | 5 | 5 | 7 | 11 |
| 5 | 5 | 6 | 7 | 4 | 3 | 5 | 5 | 7 | 10 |
| 5 | 7 | 6 | 8 | 4 | 5 | 5 | 5 | 7 | 12 |
| 5 | 8 | 5 | 9 | 5 | 7 | 5 | 7 | 6 | 12 |
| 5 | 7 | 5 | 7 | 5 | 6 | 5 | 5 | 6 | 9 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R. | K. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Sept. | 87 | 118 | 133 | 124 | 124 | 111 | 117 | 118 | 122 | 111 | 117 | 108 | 115 | 131 | 165 | 126 | 124 | 171 | 193 | 187 | 197 |
| Oct. | 87 | 120 | 132 | 125 | 122 | 111 | 117 | 119 | 120 | 112 | 117 | 109 | 115 | 132 | 164 | 126 | 124 | 171 | 194 | 187 | 189 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 112 | 116 | 120 | 120 | 113 | 116 | 109 | 114 | 133 | 161 | 126 | 123 | 171 | 191 | 191 | 195 |
| Dec. | 87 | 121 | 132 | 126 | 123 | 112 | 116 | 120 | 121 | 114 | 116 | 110 | 115 | 134 | 159 | 128 | 123 | 171 | 193 | 196 | 198 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 117 | 121 | 121 | 114 | 117 | 111 | 114 | 134 | 158 | 128 | 123 | 170 | 192 | 199 | 203 |
| Feb. | 88 | 121 | 133 | 127 | 125 | 112 | 118 | 122 | 122 | 115 | 117 | 112 | 115 | 137 | 158 | 130 | 124 | 174 | 197 | 203 | 203 |
| Mar. | 88 | 122 | 133 | 128 | 125 | 113 | 118 | 123 | 123 | 116 | 117 | 113 | 116 | 137 | 163 | 132 | 125 | 172 | 201 | 203 | 207 |
| Apr. | 88 | 122 | 133 | 128 | 125 | 112 | 118 | 123 | 122 | 116 | 117 | 113 | 116 | 137 | 169 | 130 | 126 | 172 | 202 | 199 | 204 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 119 | 124 | 124 | 117 | 118 | 113 | 117 | 137 | 174 | 131 | 128 | 174 | 205 | 198 | 205 |
| June | 88 | 123 | 135 | 129 | 126 | 114 | 119 | 125 | 126 | 117 | 118 | 114 | 117 | 139 | 176 | 133 | 129 | 175 | 206 | 200 | 209 |
| July | 88 | 123 | 133 | 129 | 125 | 114 | 121 | 125 | 126 | 118 | 118 | 115 | 117 | 139 | 178 | 134 | 129 | 177 | 209 | 199 | 212 |
| Aug. | 88 | 124 | 135 | 130 | 124 | 115 | 121 | 126 | 126 | 118 | 118 | 114 | 118 | 139 | 180 | 134 | 131 | 180 | 215 | 203 | 215 |
| Sept. | 88 | 124 | 134 | 130 | 125 | 115 | 121 | 127 | 128 | 118 | 118 | 113 | 118 | 140 | 178 | 137 | 131 | 181 | 217 | 204 | 211 |
| Oct. | 88 | 125 | 135 | 130 | 125 | 115 | 121 | 127 | 128 | 120 | 118 | 113 | 119 | 141 | 178 | 138 | 129 | 180 | 218 | 206 | 215 |
| Nov. | 88 | 125 | 135 | 130 | 125 | 115 | 122 | 129 | 130 | 120 | 120 | 114 | 119 | 142 | 178 | 138 | 131 | 184 | 219 | 206 | 218 |
| Dec. | 88 | 126 | 137 | 131 | 126 | 116 | 123 | 129 | 130 | 121 | 119 | 114 | 119 | 143 | 182 | 140 | 129 | 184 | 218 | 206 | 221 |
| Jan. | 89 | 126 | 139 | 131 | 126 | 116 | 125 | 130 | 131 | 121 | 120 | | 120 | 143 | 184 | 140 | 129 | 185 | 219 | 209 | 224 |
| Feb. | 89 | 127 | 139 | 131 | 126 | 117 | 125 | 130 | 131 | 122 | 119 | | 120 | 143 | 184 | 143 | 129 | 184 | 219 | 211 | 218 |
| Mar. | 89 | 127 | 138 | | | 117 | | | 130 | | | | | 148 | 182 | | | 189 | 225 | 212 | 225 |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | |
| Sept. | 87 | 5 | 8 | 6 | 8 | 3 | 5 | 6 | 6 | 7 | 3 | 1 | 0 | 6 | 41 | 7 | 9 | 12 | 20 | 13 | 21 |
| Oct. | 87 | 6 | 7 | 7 | 5 | 3 | 5 | 6 | 3 | 7 | 2 | 3 | 0 | 6 | 32 | 6 | 8 | 10 | 18 | 11 | 9 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 2 | 6 | 3 | 7 | 0 | 3 | -2 | 7 | 22 | 5 | 5 | 8 | 13 | 13 | 14 |
| Dec. | 87 | 6 | 3 | 7 | 5 | 4 | 2 | 7 | 2 | 6 | -1 | 3 | -1 | 7 | 15 | 8 | 4 | 6 | 13 | 16 | 14 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 7 | 2 | 6 | 2 | 6 | -2 | 7 | 10 | 7 | 3 | 4 | 9 | 18 | 18 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 6 | 4 | 6 | 3 | 6 | -1 | 10 | 6 | 8 | 4 | 8 | 12 | 19 | 15 |
| Mar. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 6 | 4 | 6 | 1 | 7 | 1 | 9 | 10 | 9 | 5 | 4 | 14 | 16 | 16 |
| Apr. | 88 | 6 | 1 | 5 | 4 | 3 | 3 | 6 | 3 | 7 | 1 | 7 | 1 | 8 | 14 | 6 | 6 | 4 | 12 | 10 | 11 |
| May | 88 | 5 | 0 | 5 | 4 | 3 | 4 | 7 | 4 | 7 | 1 | 6 | 3 | 7 | 17 | 6 | 8 | 4 | 14 | 7 | 10 |
| June | 88 | 5 | 4 | 5 | 4 | 4 | 4 | 7 | 7 | 6 | 1 | 7 | 3 | 8 | 16 | 9 | 8 | 5 | 12 | 7 | 12 |
| July | 88 | 5 | 1 | 5 | 1 | 3 | 5 | 7 | 6 | 6 | 2 | 7 | 3 | 7 | 16 | 9 | 7 | 6 | 13 | 5 | 13 |
| Aug. | 88 | 4 | 3 | 4 | 1 | 5 | 5 | 8 | 6 | 5 | 2 | 5 | 5 | 6 | 16 | 7 | 9 | 8 | 17 | 8 | 14 |
| Sept. | 88 | 4 | 1 | 4 | 1 | 4 | 4 | 8 | 7 | 6 | 1 | 3 | 4 | 6 | 13 | 10 | 8 | 8 | 16 | 6 | 7 |
| Oct. | 88 | 4 | 3 | 4 | 0 | 3 | 5 | 7 | 8 | 6 | 2 | 2 | 5 | 6 | 11 | 11 | 5 | 7 | 15 | 7 | 10 |
| Nov. | 88 | 4 | 3 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 4 | 3 | 4 | 7 | 10 | 9 | 6 | 10 | 14 | 6 | 11 |
| Dec. | 88 | 4 | 5 | 4 | 1 | 4 | 6 | 7 | 8 | 7 | 2 | 3 | 4 | 7 | 13 | 11 | 3 | 8 | 11 | 4 | 12 |
| Jan. | 89 | 5 | 7 | 4 | 2 | 4 | 8 | 7 | 9 | 5 | 3 | | 5 | 5 | 13 | 8 | 2 | 9 | 10 | 7 | 13 |
| Feb. | 89 | 5 | 6 | 3 | 1 | 4 | 7 | 6 | 7 | 6 | 2 | | 3 | 5 | 10 | 11 | 0 | 6 | 8 | 8 | 5 |
| Mar. | 89 | 5 | 5 | | | 4 | | | 5 | | | | | 11 | 6 | | | 11 | 12 | 8 | 10 |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

The Conference Board

*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** **June 1989**

## SUMMARY

*Worldwide,* the leading indexes for the major economies once again point toward persistent business-cycle expansion at a moderate pace.

*Regionally,* the cyclical expansions in North America and Europe amble along with no more than deliberate speed, but in the Pacific Region the advance shows considerable energy and eagerness.

*Nationally,* the major revision this month is the marked acceleration of Japan's leading index, now showing an 18 percent growth rate vs. 6 percent last month. By contrast, Korea's leading index now looks less vigorous than a month ago. The most telling fact, however, is the continued absence of even a single minus sign in the table below.

*Interpretation:* Once again, the world's major economies are open for business as usual, that is, continued expansion of the business cycle. We keep searching for portents of either recession or runaway boom, but thus far conclusive signals in either direction are hard to find.

### Summary Of Growth Rates, Ten Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos ago | 3 mos ago | Latest month | 6 mos ago | 3 mos ago | Latest month | Current Reading on the Cycle | Latest Month Covered |
| | annual rates, percent | | | | | | | | |
| Ten countries | 3 | 5 | 5 | 6 | 6 | 7 | 6 | Expansion continuing | Mar. |
| 9 countries excl. U.S. | 3 | 6 | 6 | 7 | 8 | 8 | 8 | Expansion continuing | Mar. |
| North America (2) | 3 | 4 | 4 | 4 | 2 | 4 | 3 | Expansion continuing | Mar. |
| Europe (4) | 2 | 5 | 5 | 5 | 4 | 5 | 4 | Expansion continuing | Mar. |
| Pacific Region (4) | 4 | 7 | 7 | 11 | 12 | 13 | 12 | Expansion continuing, leaders strong | Mar. |
| United States | 3 | 4 | 5 | 3 | 3 | 6 | 5 | Expansion continuing | Apr. |
| Canada | 3 | 4 | 4 | 2 | 1 | 1 | 2 | Expansion continuing | Mar. |
| West Germany | 2 | 3 | 5 | 6 | 4 | 6 | 7 | Expansion continuing | Apr./Mar. |
| France | 2 | 8 | 7 | 6 | 8 | 8 | 1 | Expansion continuing, leaders weak | Mar./Apr. |
| United Kingdom | 2 | 6 | 7 | 6 | 1 | 2 | 1 | Expansion continuing, leaders weak | Mar. |
| Italy | 2 | 7 | 3 | 2 | 4 | 4 | 2 | Expansion continuing | Jan./Mar. |
| Japan | 4 | 6 | 5 | 9 | 11 | 16 | 18 | Expansion continuing, leaders strong | Apr. |
| Australia | 3 | 10 | 11 | 14 | 8 | 4 | 3 | Expansion continuing | Mar. |
| Taiwan, R.O.C. | 8 | 7 | 9 | 4 | 15 | 10 | 8 | Expansion continuing | Apr. |
| Korea, R.O.K. | 7 | 7 | 8 | 3 | 9 | 6 | 5 | Expansion continuing | Apr. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**

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## INDEXES, WORLDWIDE AND BY REGION, 1987-88

| | | 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 121 | 133 | 121 | 134 | 120 | 131 | 113 | 118 | 135 | 161 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 130 | 113 | 117 | 135 | 159 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 137 | 158 |
| Jan. | 88 | 122 | 132 | 123 | 132 | 121 | 132 | 114 | 118 | 137 | 158 |
| Feb. | 88 | 123 | 132 | 125 | 132 | 122 | 132 | 115 | 118 | 140 | 157 |
| Mar. | 88 | 124 | 134 | 125 | 135 | 122 | 132 | 116 | 119 | 140 | 162 |
| Apr. | 88 | 124 | 135 | 125 | 136 | 122 | 132 | 116 | 119 | 140 | 167 |
| May | 88 | 124 | 136 | 126 | 138 | 123 | 132 | 116 | 120 | 140 | 171 |
| June | 88 | 125 | 137 | 127 | 140 | 123 | 134 | 117 | 120 | 142 | 173 |
| July | 88 | 125 | 137 | 127 | 140 | 124 | 132 | 118 | 121 | 142 | 175 |
| Aug. | 88 | 126 | 139 | 128 | 142 | 124 | 134 | 118 | 121 | 142 | 177 |
| Sept. | 88 | 126 | 138 | 128 | 141 | 124 | 134 | 119 | 122 | 144 | 176 |
| Oct. | 88 | 127 | 139 | 129 | 141 | 125 | 134 | 119 | 122 | 144 | 175 |
| Nov. | 88 | 128 | 139 | 130 | 142 | 125 | 135 | 120 | 123 | 146 | 176 |
| Dec. | 88 | 128 | 141 | 130 | 144 | 126 | 136 | 120 | 123 | 146 | 180 |
| Jan. | 89 | 128 | 142 | 130 | 146 | 126 | 137 | 120 | 124 | 147 | 183 |
| Feb. | 89 | 129 | 142 | 131 | 146 | 127 | 138 | 121 | 124 | 147 | 184 |
| Mar. | 89 | 130 | 143 | 133 | 147 | 127 | 136 | 121 | 124 | 152 | 186 |

| 10 Countries | | 9 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (3) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 6 | 10 | 6 | 13 | 6 | 6 | 5 | 3 | 7 | 28 |
| 6 | 7 | 6 | 9 | 6 | 4 | 5 | 1 | 7 | 20 |
| 6 | 6 | 7 | 7 | 6 | 4 | 6 | 1 | 8 | 14 |
| 6 | 4 | 7 | 5 | 5 | 4 | 6 | 2 | 8 | 10 |
| 7 | 4 | 8 | 4 | 5 | 3 | 6 | 2 | 10 | 6 |
| 7 | 5 | 8 | 6 | 6 | 3 | 6 | 3 | 10 | 10 |
| 6 | 5 | 6 | 7 | 5 | 2 | 5 | 2 | 7 | 13 |
| 5 | 5 | 6 | 8 | 5 | 1 | 6 | 3 | 7 | 16 |
| 6 | 7 | 7 | 9 | 5 | 3 | 6 | 4 | 8 | 15 |
| 5 | 5 | 6 | 9 | 4 | 1 | 6 | 4 | 7 | 15 |
| 5 | 7 | 6 | 9 | 4 | 4 | 6 | 5 | 6 | 16 |
| 5 | 6 | 6 | 8 | 4 | 2 | 5 | 4 | 7 | 12 |
| 5 | 5 | 5 | 7 | 4 | 3 | 5 | 5 | 7 | 11 |
| 5 | 6 | 6 | 7 | 4 | 3 | 6 | 6 | 7 | 10 |
| 5 | 7 | 6 | 8 | 4 | 4 | 5 | 5 | 7 | 13 |
| 5 | 8 | 5 | 9 | 4 | 6 | 5 | 6 | 6 | 14 |
| 5 | 7 | 5 | 8 | 5 | 4 | 5 | 5 | 6 | 13 |
| 6 | 6 | 7 | 8 | 4 | 3 | 5 | 4 | 11 | 12 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, TEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 119 | 132 | 125 | 122 | 111 | 117 | 119 | 120 | 112 | 117 | 107 | 115 | 132 | 164 | 126 | 124 | 171 | 194 | 189 | 188 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 112 | 116 | 120 | 120 | 113 | 116 | 108 | 114 | 133 | 161 | 126 | 123 | 170 | 191 | 192 | 195 |
| Dec. | 87 | 120 | 132 | 126 | 123 | 112 | 116 | 120 | 121 | 114 | 116 | 108 | 115 | 134 | 159 | 128 | 123 | 170 | 193 | 198 | 197 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 117 | 121 | 121 | 114 | 117 | 109 | 114 | 134 | 158 | 128 | 123 | 170 | 192 | 201 | 201 |
| Feb. | 88 | 121 | 133 | 127 | 125 | 112 | 118 | 122 | 122 | 115 | 117 | 110 | 115 | 137 | 158 | 130 | 124 | 174 | 197 | 203 | 202 |
| Mar. | 88 | 122 | 133 | 128 | 126 | 113 | 118 | 123 | 123 | 116 | 117 | 111 | 116 | 137 | 163 | 132 | 125 | 172 | 201 | 204 | 205 |
| Apr. | 88 | 122 | 132 | 128 | 126 | 112 | 118 | 123 | 122 | 116 | 117 | 111 | 116 | 137 | 169 | 130 | 126 | 172 | 202 | 200 | 202 |
| May | 88 | 122 | 132 | 128 | 125 | 113 | 119 | 124 | 124 | 117 | 118 | 111 | 117 | 137 | 174 | 131 | 128 | 174 | 205 | 199 | 204 |
| June | 88 | 123 | 134 | 129 | 125 | 114 | 119 | 125 | 126 | 117 | 118 | 112 | 117 | 139 | 176 | 133 | 129 | 175 | 206 | 201 | 207 |
| July | 88 | 123 | 133 | 129 | 125 | 114 | 121 | 125 | 126 | 118 | 118 | 113 | 117 | 139 | 178 | 134 | 129 | 177 | 209 | 200 | 209 |
| Aug. | 88 | 124 | 135 | 130 | 125 | 115 | 121 | 126 | 126 | 118 | 118 | 113 | 118 | 139 | 180 | 134 | 131 | 179 | 215 | 204 | 212 |
| Sept. | 88 | 124 | 134 | 130 | 125 | 115 | 121 | 127 | 128 | 118 | 118 | 112 | 118 | 140 | 178 | 137 | 131 | 180 | 217 | 205 | 209 |
| Oct. | 88 | 124 | 135 | 130 | 125 | 115 | 121 | 127 | 129 | 120 | 118 | 112 | 119 | 141 | 178 | 138 | 130 | 180 | 218 | 208 | 212 |
| Nov. | 88 | 124 | 136 | 130 | 125 | 115 | 122 | 129 | 130 | 120 | 120 | 113 | 119 | 142 | 178 | 138 | 131 | 184 | 219 | 208 | 216 |
| Dec. | 88 | 125 | 137 | 131 | 126 | 116 | 123 | 129 | 130 | 121 | 119 | 114 | 119 | 143 | 183 | 140 | 130 | 183 | 218 | 209 | 218 |
| Jan. | 89 | 126 | 138 | 131 | 126 | 117 | 124 | 130 | 131 | 121 | 120 | 113 | 120 | 143 | 187 | 142 | 131 | 185 | 219 | 212 | 215 |
| Feb. | 89 | 126 | 137 | 131 | 126 | 118 | 125 | 130 | 131 | 122 | 119 | | 120 | 143 | 188 | 144 | 131 | 183 | 219 | 214 | 210 |
| Mar. | 89 | 127 | 137 | 131 | 126 | 118 | 126 | 130 | 130 | 122 | 119 | | 120 | 148 | 190 | 146 | 132 | 185 | 226 | 214 | 216 |
| Apr. | 89 | 126 | 139 | | | 119 | | | 128 | | | | | 148 | 196 | | | 183 | 223 | 210 | 217 |
| Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| Oct. | 87 | 6 | 6 | 7 | 5 | 3 | 5 | 5 | 3 | 7 | 2 | 3 | 0 | 6 | 32 | 6 | 8 | 10 | 18 | 12 | 9 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 2 | 7 | 3 | 7 | 0 | 3 | -2 | 7 | 22 | 5 | 5 | 8 | 13 | 13 | 13 |
| Dec. | 87 | 6 | 4 | 7 | 5 | 4 | 2 | 7 | 2 | 8 | -1 | 3 | -1 | 7 | 15 | 8 | 4 | 6 | 13 | 17 | 14 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 7 | 2 | 8 | 2 | 5 | -2 | 7 | 10 | 7 | 3 | 4 | 9 | 18 | 16 |
| Feb. | 88 | 5 | 3 | 6 | 5 | 4 | 3 | 8 | 4 | 8 | 1 | 6 | -1 | 10 | 6 | 8 | 4 | 8 | 12 | 18 | 14 |
| Mar. | 88 | 6 | 3 | 6 | 6 | 4 | 3 | 8 | 4 | 8 | 1 | 7 | 1 | 9 | 10 | 9 | 5 | 4 | 14 | 15 | 15 |
| Apr. | 88 | 5 | 1 | 5 | 4 | 3 | 4 | 6 | 3 | 8 | 1 | 7 | 1 | 8 | 14 | 6 | 6 | 4 | 12 | 10 | 10 |
| May | 88 | 4 | 1 | 5 | 4 | 3 | 4 | 7 | 4 | 7 | 1 | 6 | 3 | 7 | 17 | 6 | 8 | 4 | 14 | 7 | 9 |
| June | 88 | 5 | 3 | 5 | 3 | 4 | 4 | 7 | 7 | 6 | 2 | 7 | 3 | 8 | 16 | 9 | 8 | 5 | 12 | 7 | 11 |
| July | 88 | 4 | 1 | 5 | 1 | 3 | 5 | 7 | 6 | 6 | 2 | 7 | 3 | 7 | 16 | 9 | 7 | 6 | 13 | 5 | 12 |
| Aug. | 88 | 4 | 4 | 4 | 1 | 5 | 6 | 8 | 6 | 5 | 2 | 6 | 5 | 6 | 16 | 7 | 9 | 8 | 17 | 7 | 13 |
| Sept. | 88 | 4 | 2 | 4 | 1 | 4 | 4 | 8 | 8 | 6 | 1 | 4 | 4 | 6 | 13 | 10 | 8 | 8 | 16 | 6 | 7 |
| Oct. | 88 | 4 | 3 | 4 | 0 | 3 | 5 | 7 | 8 | 6 | 1 | 3 | 5 | 6 | 11 | 11 | 5 | 7 | 15 | 7 | 9 |
| Nov. | 88 | 4 | 4 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 4 | 4 | 4 | 7 | 10 | 9 | 7 | 10 | 14 | 7 | 10 |
| Dec. | 88 | 4 | 5 | 4 | 1 | 4 | 6 | 7 | 7 | 7 | 2 | 4 | 4 | 7 | 14 | 11 | 4 | 8 | 11 | 6 | 11 |
| Jan. | 89 | 4 | 6 | 4 | 2 | 5 | 7 | 7 | 8 | 5 | 2 | 2 | 5 | 5 | 16 | 11 | 4 | 9 | 10 | 8 | 6 |
| Feb. | 89 | 4 | 4 | 3 | 1 | 5 | 7 | 8 | 6 | 6 | 2 | | 4 | 5 | 15 | 13 | 4 | 6 | 8 | 8 | 1 |
| Mar. | 89 | 4 | 3 | 2 | 2 | 5 | 7 | 6 | 5 | 6 | 1 | | 2 | 11 | 14 | 14 | 3 | 7 | 12 | 9 | 5 |
| Apr. | 89 | 3 | 5 | | | 6 | | | 1 | | | | | 9 | 18 | | | 4 | 8 | 3 | 5 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 |

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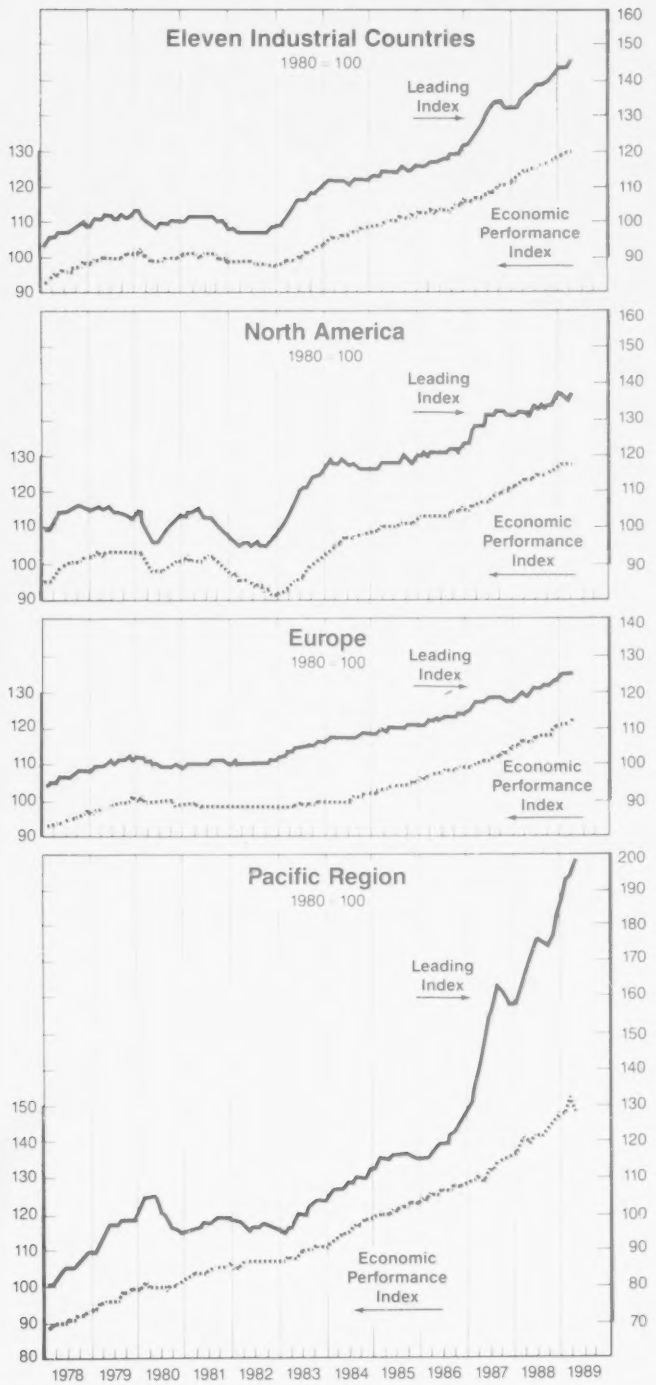
The Conference Board

**Economic and Business Environment Program**

# International Economic Scoreboard

**A Quarterly Report from The Conference Board** — **Third Quarter 1989**

## WORLD BUSINESS CYCLE




Once again the indexes that track the global business cycle seem to be saying that the long expansion of the 1980s just keeps rolling along. This time, however, there is uncertainty whether the economic picture is as strong as the leading index suggests is the case. Most of the vigor in the leading index is supplied by the data from Japan, but (for reasons explained on page 4) the dramatic acceleration in the Japanese index *may* overstate prospects for that economy.

When we look at the other ten major economies, the leading indexes are still climbing, but at a more subdued pace. Including Japan, the 11-country composite leading index is advancing at an 8 percent rate. If we leave Japan out, the leading index would be growing at a more mundane pace of about 3 percent. Furthermore, if we focus only on the latest three months, the global leading index would be barely growing.

This should not be read as a signal of recession ahead. The growth rates are still positive, for the industrial world as a whole and for almost every country separately. But it does indicate a loss of cyclical momentum, a distinct shifting of gears from the steady advances that have been recorded since the stock market crash in late 1987. Thus it does throw up a yellow caution flag. Business cycle analysts will want to be more alert than usual.

(Note that the indexes now include New Zealand as the eleventh country in the global indexes and the fifth country in the Pacific Region.)

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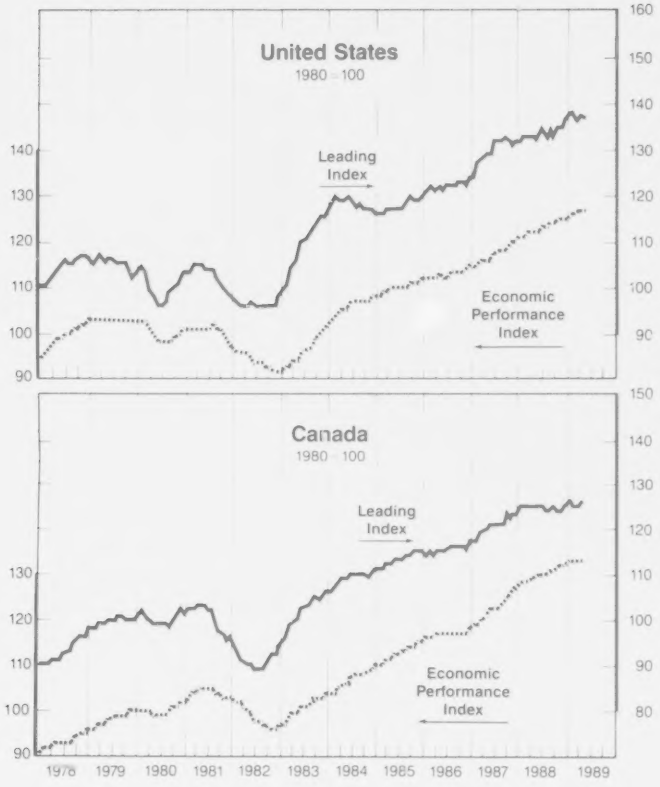
## NORTH AMERICAN COUNTRIES




The U.S. economy continues to expand at a steady pace, but the leading index no longer shows an optimistic outlook for further gains. At this point the evidence is too meager to be conclusive, but the leveling off in the leaders since early in the year suggests a slowing of the expansion in the months ahead and perhaps also more moderate inflationary pressures (see essay, pages 5 and 6).

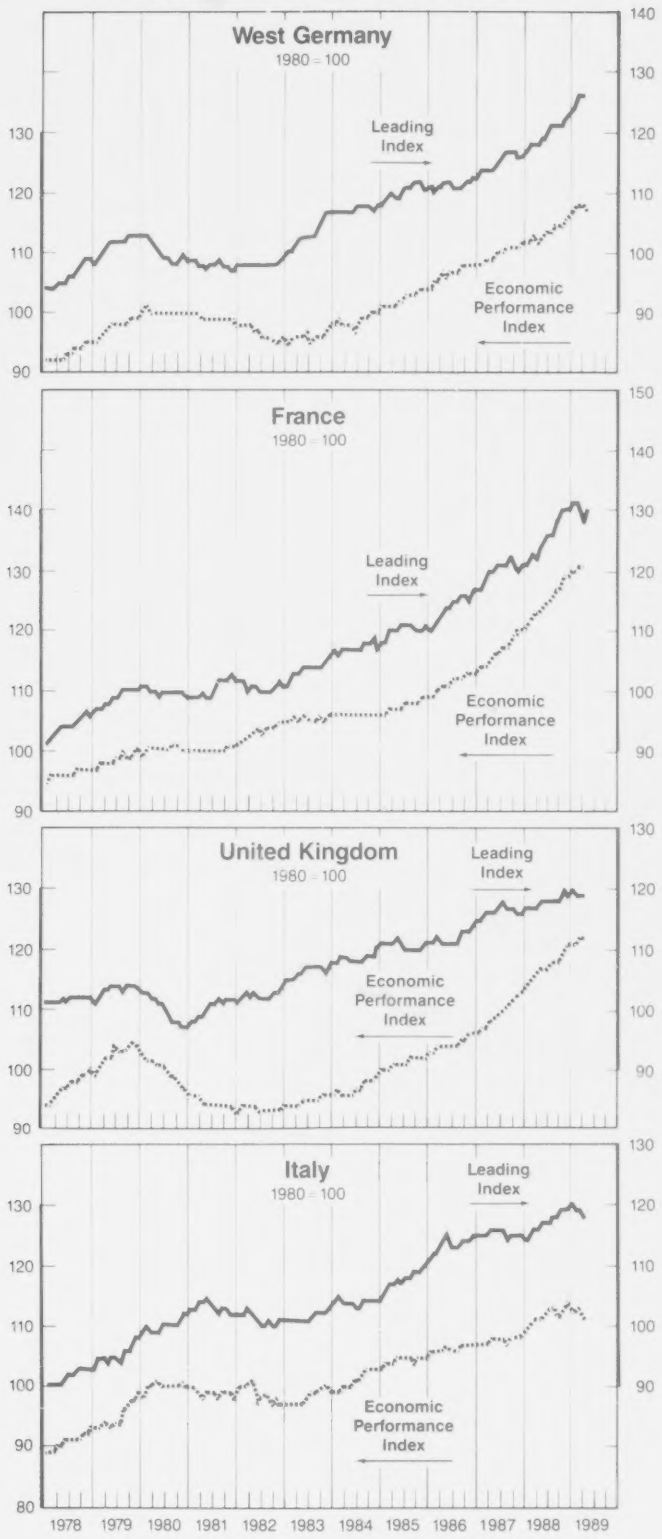
Thus far in 1989, the Canadian indexes look a lot like their U.S. counterparts, except that the sluggishness in the leading index during 1988 makes this year's figures seem a bit more satisfactory.

### Summary Of Growth Rates, Eleven Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Eleven countries | 3 | 5 | 5 | 4 | 5 | 10 | 8 | Expansion continuing | Apr. |
| Ten countries excl. U.S. | 3 | 5 | 6 | 5 | 7 | 12 | 11 | Expansion continuing, leaders strong | Apr. |
| North America (2) | 3 | 4 | 4 | 4 | 3 | 5 | 4 | Expansion continuing | Apr. |
| Europe (4) | 2 | 5 | 5 | 4 | 5 | 6 | 3 | Expansion continuing | Apr. |
| Pacific Region (5) | 4 | 6 | 7 | 6 | 10 | 21 | 22 | Expansion continuing, leaders strong | Apr. |
| United States | 3 | 4 | 5 | 3 | 4 | 4 | 3 | Expansion continuing | May |
| Canada | 3 | 4 | 4 | 3 | 0 | 1 | 2 | Expansion continuing | Apr. |
| West Germany | 2 | 4 | 5 | 3 | 5 | 7 | 6 | Expansion continuing | May/Apr. |
| France | 2 | 7 | 8 | 6 | 9 | 6 | 3 | Expansion continuing | Apr./May |
| United Kingdom | 2 | 6 | 5 | 5 | 1 | 3 | 1 | Expansion continuing, leaders weak | Apr. |
| Italy | 2 | 3 | 1 | -2 | 4 | 4 | 1 | Downturn may be developing | Apr. |
| Japan | 4 | 7 | 6 | 7 | 11 | 24 | 25 | Expansion continuing, leaders strong | May/Apr. |
| Australia | 3 | 11 | 11 | 15 | 7 | 4 | 6 | Expansion continuing | Apr./May |
| Taiwan, R.O.C. | 8 | 10 | 6 | 9 | 14 | 8 | 6 | Expansion continuing | May |
| Korea, R.O.K. | 7 | 7 | 8 | 3 | 9 | 6 | 5 | Expansion continuing | Apr. |
| New Zealand | 2 | -4 | -5 | -1 | 1 | 2 | 3 | Upturn developing | Nov./Apr. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

## EUROPEAN COUNTRIES



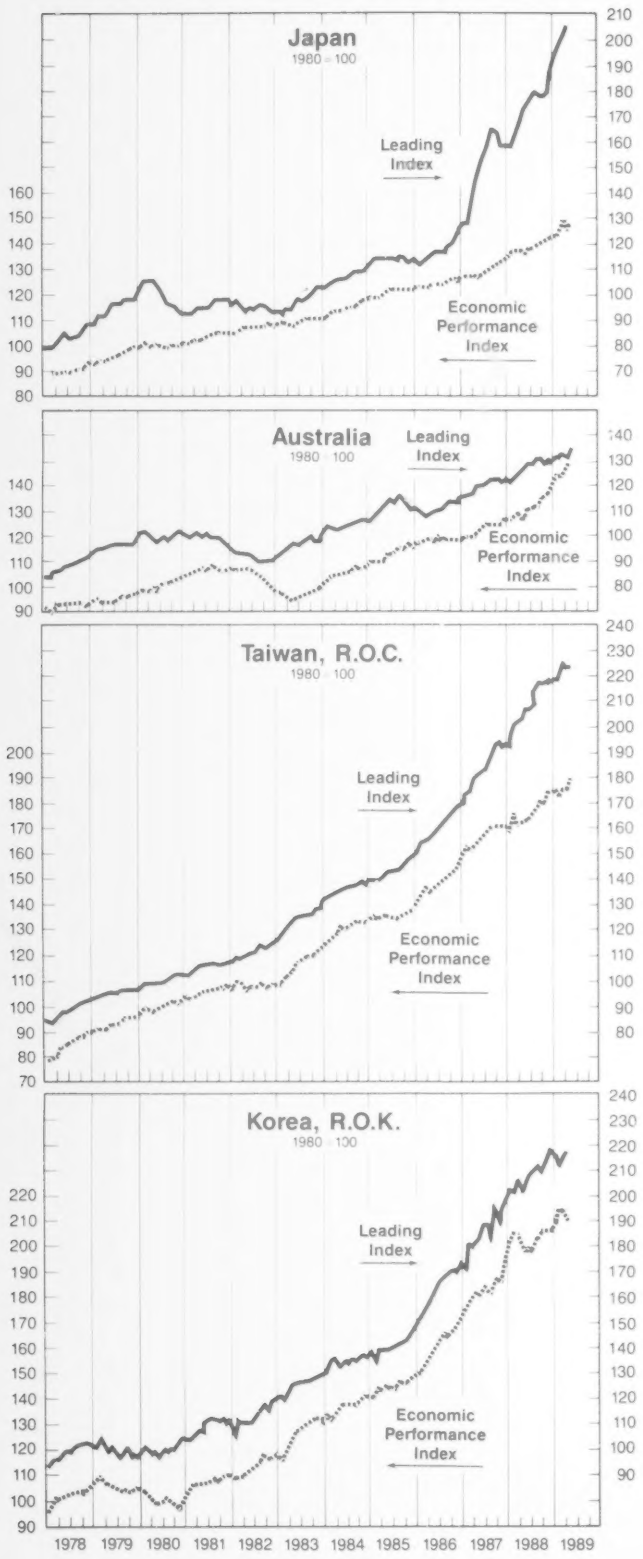

The West German indexes continue to give a good account of themselves, especially the leading index. West Germany is, in fact, the only one of the four major European countries with an unqualifiedly favorable outlook.

In France, the economic performance index continues to climb nicely, but the leading index took quite a tumble in April and only recovered part way in May. The significance of this abrupt drop will remain in doubt for at least another month or two.

Data for the United Kingdom show a continuation of the recent pattern: steady gains for the economy but intermittent sluggishness in the leading index. The higher rates of inflation experienced in the U.K. since late last year have been very unsettling to the outlook.

In Italy, both indexes have fallen abruptly since the turn of the year, for reasons that seem as obscure as ever.

## PACIFIC REGION COUNTRIES




The Japanese economy continues to expand briskly. The leading index, moreover, has accelerated dramatically—to a 25 percent growth rate from 18 percent last month and 6 percent two months ago. The sharp acceleration can be traced to two component indicators: inventory investment and net additions to consumer credit. These two series tend to fluctuate erratically from quarter to quarter, and for technical reasons are awkward to handle in calculating the composite leading index. Thus, although the outlook for the Japanese economy remains distinctly favorable, the extraordinary growth of the leading index should not be taken at face value.

The Australian outlook continues to look good. The performance index accelerated to still faster growth and the leading index recovered some of its lost momentum.

In Taiwan, both the economic performance and leading indexes continue to show favorable cyclical trends. Again, the strongest component series among the leading indexes is common stock prices.

Although the Korean leading index is still showing a growth rate of 5 percent, recent movements in both the performance and leading indexes show a noticeable loss of momentum.

Although there wasn't time to prepare a chart, indexes have recently been compiled for New Zealand and have been incorporated into the regional and global indexes shown on page 1. The Kiwis went through a mild recession in 1987-88 (the only industrial country to do so) but the leading index has gradually been moving higher since mid-1988, suggesting that cyclical recovery is underway. (A separate chart for New Zealand will be included in the next quarterly report.)

## SIGNALS OF REDUCED INFLATION

There is considerable discussion about the likelihood that during the rest of 1989 economic growth in the United States will be considerably slower than the solid 3.1 percent pace of the four quarters through March. A reduced rate of economic growth would be welcome news for those who are concerned about inflation. A lot of business history in the United States and other countries tells us that economic slowdowns and recessions typically reduce the inflation rate.

In this issue of the *Scoreboard,* we review the relation between growth slowdowns and changes in the U.S. inflation rate. In addition, we examine the prospects for a decline in inflation in the second half of 1989.

Since 1948, there have been 11 economic slowdowns or recessions in the United States. The slowdowns are periods when economic growth is slower than the long-term trend rate of growth. Recessions are periods when economic activity in the aggregate actually falls; hence, by definition, they also can be classified as slowdowns. The accompanying chart shows the movements in the inflation rate (the consumer price index, CPI) during the various phases of the U.S. growth cycle. During each of the slowdowns in real growth (shaded areas) the smoothed inflation rate reached a high and then declined.

To be sure, the cycles in the inflation rate are not synchronous with the growth cycles. Thus, the declines in the rate of inflation do not occur simultaneously with the onset of an economic slowdown. On average, in fact, the peaks and troughs in the smoothed inflation rate lag behind the growth cycle peaks and troughs by close to half a year. Thus we should not expect that a slowdown in U.S. growth will instantly cure our inflation problem.

But the close correspondence between growth cycles and inflation rate cycles tells us that the growth rates presented in the *Scoreboard* can be used to provide early warning signals of a slowdown in inflation. The table on the next page gives the record on this since 1948. The initial signal of a slowdown in growth, and subsequently in inflation, occurs when the leading index growth rate falls below 2.2 percent. The final signal of a slowdown is set off when the performance index growth also falls below 2.2 percent. Comparable signals are used for growth speedups. The average lead of the initial signal over inflation rate peaks was 7 months, while the second peak signal, on average, led the inflation downturn by 2 months.

What do the current figures show? The latest growth rates in the *Scoreboard* are for May, when the leading index growth rate was 2.6 percent and the performance index growth rate was 3.1 percent. Thus neither has hit the 2.2 percent signal level, although they are not far above it. Hence the indexes are not yet proclaiming either a slowdown in the U.S. economy or a drop in the inflation rate, which in May reached its high to date, 5.8 percent. There are, however, other signs that a decline in inflation may be close at hand, including a weakening in the June figures for the leading index of inflation issued by the Center for International Business Cycle Research. So keep watching!

**Inflation Rate and Growth Cycles**
**United States**

Note: Shaded areas are growth cycle recessions.

**Inflation Peaks and Growth Peak Signals, United States**

| *Inflation Cycle Peak Dates* | *Growth Cycle Peak Signal Dates* | | *Lead(-) or Lag(+) of signals, in months* | |
|---|---|---|---|---|
| | *Initial* | *Final* | *Initial* | *Final* |
| 2/51 | 4/51 | 6/52 | + 2 | +16 |
| 10/53 | 6/53 | 8/53 | - 4 | - 2 |
| 8/57 | 1/56 | 6/56 | -19 | -14 |
| 10/59 | 8/59 | 9/59 | - 2 | - 1 |
| 10/66 | 5/66 | 5/67 | - 5 | + 7 |
| 2/70 | 5/69 | 11/69 | - 9 | - 3 |
| 9/74 | 8/73 | 12/73 | -13 | - 9 |
| 3/80 | 1/79 | 4/79 | -14 | -11 |
| 2/84 | 7/84 | n.s. | + 5 | n.s. |
| Average Lead(-) or Lag(+), in months | | | - 7 | - 2 |
| Percent Leads | | | 78 | 75 |

Note: Inflation cycle peak dates are based on the CPI six-month smoothed rate. Signals are based on the growth rates in the Scoreboard's leading and economic performance indexes. For the initial signal of a peak, the growth rate in the leading index falls below 2.2 percent; for the final signal of a peak the growth rates of *both* the leading and performance indexes fall below 2.2 percent. Initial signals that did not correspond with inflation cycle peaks occurred in 6/62, 1/78, 8/81, 8/86 and 4/88.

n.s. = no signal.

## THE INTERNATIONAL ECONOMIC INDICATOR SYSTEM

This publication is designed to help readers monitor the ups and downs of the business cycle around the world. To this end, two types of index are shown for each country: an index of economic performance and a leading index. The economic performance indexes are composites of such series as real GNP, industrial production, employment and sales—what analysts call "coincident" series, because they *define* the business cycle.

The leading indexes are composites of such series as new orders, construction contracts, corporate profits and stock prices—indicators that usually anticipate changes in production and employment by several months. Thus, the indexes of economic performance tell us the current status of the business cycle, i.e., where we are, while the leading indexes tell us where the economy is headed.

Experience has shown that when the leading index begins to rise faster, it is a fairly safe rule that the economy will soon begin to rise faster too—typically after three or four months. When the leading index begins to rise more slowly or to decline, the economy is likely to follow suit shortly thereafter. (For details, see "What the Leading Indicators Indicate," *Across The Board*, April 1980 and *Business Cycles, Inflation and Forecasting*, Ballinger Publishing Co., 1983.) Considerable variation in the length of the lead is to be expected, however. Constant monitoring is needed to make effective use of the system and to get early warnings of recessions and recoveries, changes in foreign trade flows, and new inflationary trends.

The indexes were developed by Geoffrey H. Moore and Philip A. Klein, and are maintained by the Center for International Business Cycle Research at the Columbia Business School. (The U.S. indexes used here differ slightly from the indexes reported monthly by the U.S. Dept. of Commerce.) To facilitate analysis the indexes are adjusted so their long-run growth rates are equal to those in real GNP in the country concerned. These growth rates are shown in the first column of the table on page 2 of the quarterly version of the *Scoreboard*.

### For More Information

To find out more about this indicator system and the availability of detailed data for each country please address inquiries to:

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Columbia Business School
New York, New York 10027
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The Conference Board

*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** **July 1989**

## SUMMARY

*Worldwide,* the global business cycle keeps rolling right along, but the regional and national pattern is now more uneven than before.

*Regionally,* it's the same old story: pedestrian advances in Europe and North America, great vigor in the Pacific Region.

*Nationally,* the big news again this month is Japan, where the leading index has accelerated dramatically. However, recent advances in this index have been greatly affected by unusually large increases in inventories and consumer intstallment credit. Hence the index may be overstating future prospects.

In other major countries, although the growth rates are still positive in almost every case, the leading indexes have lost momentum. There's enough weakness in both Italian indexes to suggest the possibility of recession. And in the United States, Canada, France and the United Kingdom, the leading indexes have been pretty much flat in recent months.

The new kid on the block is New Zealand (i.e., shown in this report for the first time). The country went through a mild recession in 1987-88, but the leading index has been emitting signs of recovery—irresolute but persistent—for about a year now.

### Summary Of Growth Rates, Eleven Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Eleven countries | 3 | 5 | 5 | 4 | 5 | 10 | 8 | Expansion continuing | Apr. |
| Ten countries excl. U.S. | 3 | 5 | 6 | 5 | 7 | 12 | 11 | Expansion continuing, leaders strong | Apr. |
| North America (2) | 3 | 4 | 4 | 4 | 3 | 5 | 4 | Expansion continuing | Apr. |
| Europe (4) | 2 | 5 | 5 | 4 | 5 | 6 | 3 | Expansion continuing | Apr. |
| Pacific Region (5) | 4 | 6 | 7 | 6 | 10 | 21 | 22 | Expansion continuing, leaders strong | Apr. |
| United States | 3 | 4 | 5 | 3 | 4 | 4 | 3 | Expansion continuing | May |
| Canada | 3 | 4 | 4 | 3 | 0 | 1 | 2 | Expansion continuing | Apr. |
| West Germany | 2 | 4 | 5 | 3 | 5 | 7 | 6 | Expansion continuing | May/Apr. |
| France | 2 | 7 | 8 | 6 | 9 | 6 | 3 | Expansion continuing | Apr./May |
| United Kingdom | 2 | 6 | 5 | 5 | 1 | 3 | 1 | Expansion continuing, leaders weak | Apr. |
| Italy | 2 | 3 | 1 | -2 | 4 | 4 | 1 | Downturn may be developing | Apr. |
| Japan | 4 | 7 | 6 | 7 | 11 | 24 | 25 | Expansion continuing, leaders strong | May/Apr. |
| Australia | 3 | 11 | 11 | 15 | 7 | 4 | 6 | Expansion continuing | Apr./May |
| Taiwan, R.O.C. | 8 | 10 | 6 | 9 | 14 | 8 | 6 | Expansion continuing | May |
| Korea, R.O.K. | 7 | 7 | 8 | 3 | 9 | 6 | 5 | Expansion continuing | Apr. |
| New Zealand | 2 | -4 | -5 | -1 | 1 | 2 | 3 | Upturn developing | Nov./Apr. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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## INDEXES, WORLDWIDE AND BY REGION, 1987-89

| | | 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 131 | 113 | 118 | 134 | 161 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 130 | 113 | 117 | 135 | 159 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 131 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 124 | 132 | 121 | 132 | 114 | 118 | 137 | 157 |
| Feb. | 88 | 123 | 132 | 125 | 132 | 122 | 132 | 115 | 118 | 139 | 156 |
| Mar. | 88 | 124 | 134 | 125 | 134 | 122 | 132 | 116 | 119 | 140 | 161 |
| Apr. | 88 | 124 | 135 | 125 | 136 | 122 | 132 | 116 | 119 | 139 | 166 |
| May | 88 | 124 | 136 | 126 | 138 | 123 | 132 | 116 | 120 | 140 | 170 |
| June | 88 | 125 | 137 | 127 | 139 | 123 | 134 | 117 | 120 | 141 | 172 |
| July | 88 | 125 | 137 | 127 | 140 | 124 | 132 | 118 | 121 | 141 | 174 |
| Aug. | 88 | 126 | 139 | 128 | 141 | 124 | 134 | 118 | 121 | 142 | 176 |
| Sept. | 88 | 126 | 138 | 128 | 141 | 124 | 134 | 119 | 122 | 143 | 175 |
| Oct. | 88 | 127 | 139 | 128 | 141 | 125 | 134 | 119 | 122 | 144 | 174 |
| Nov. | 88 | 128 | 139 | 130 | 142 | 125 | 135 | 120 | 123 | 145 | 175 |
| Dec. | 88 | 128 | 141 | 130 | 144 | 126 | 136 | 120 | 123 | 146 | 182 |
| Jan. | 89 | 129 | 144 | 131 | 147 | 126 | 137 | 121 | 124 | 147 | 188 |
| Feb. | 89 | 129 | 144 | 131 | 149 | 127 | 136 | 121 | 124 | 147 | 193 |
| Mar. | 89 | 130 | 144 | 133 | 150 | 127 | 135 | 121 | 124 | 152 | 195 |
| Apr. | 89 | 130 | 146 | 132 | 151 | 127 | 137 | 122 | 124 | 148 | 198 |

| 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 6 | 10 | 6 | 13 | 6 | 6 | 5 | 3 | 7 | 28 |
| 6 | 7 | 6 | 9 | 6 | 4 | 5 | 1 | 7 | 20 |
| 6 | 6 | 7 | 7 | 6 | 4 | 6 | 1 | 8 | 14 |
| 6 | 4 | 7 | 5 | 5 | 4 | 6 | 2 | 8 | 10 |
| 7 | 4 | 8 | 4 | 6 | 3 | 6 | 2 | 10 | 6 |
| 7 | 5 | 8 | 6 | 6 | 3 | 6 | 3 | 9 | 10 |
| 6 | 5 | 6 | 7 | 5 | 1 | 5 | 2 | 8 | 13 |
| 5 | 5 | 6 | 9 | 5 | 1 | 6 | 3 | 6 | 16 |
| 6 | 7 | 7 | 9 | 5 | 3 | 6 | 4 | 8 | 15 |
| 5 | 5 | 6 | 9 | 5 | 1 | 6 | 4 | 7 | 15 |
| 5 | 7 | 6 | 9 | 4 | 4 | 6 | 5 | 7 | 16 |
| 5 | 5 | 6 | 8 | 4 | 2 | 5 | 4 | 7 | 12 |
| 5 | 5 | 5 | 7 | 4 | 3 | 5 | 5 | 6 | 10 |
| 5 | 6 | 6 | 7 | 4 | 3 | 6 | 5 | 7 | 10 |
| 5 | 8 | 6 | 10 | 4 | 4 | 6 | 5 | 7 | 16 |
| 5 | 10 | 6 | 12 | 4 | 5 | 5 | 6 | 7 | 21 |
| 5 | 9 | 6 | 13 | 5 | 4 | 5 | 5 | 6 | 23 |
| 6 | 8 | 7 | 11 | 4 | 2 | 5 | 4 | 12 | 21 |
| 4 | 8 | 5 | 11 | 4 | 4 | 4 | 3 | 6 | 22 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, ELEVEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | | New Zealand | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 119 | 132 | 125 | 122 | 111 | 117 | 119 | 120 | 112 | 117 | 108 | 115 | 132 | 164 | 126 | 124 | 171 | 194 | 189 | 188 | 114 | 116 |
| Nov. | 87 | 120 | 131 | 126 | 123 | 112 | 116 | 120 | 120 | 113 | 116 | 108 | 115 | 133 | 161 | 126 | 123 | 170 | 191 | 192 | 195 | 114 | 114 |
| Dec. | 87 | 120 | 132 | 127 | 123 | 112 | 116 | 120 | 121 | 113 | 116 | 108 | 115 | 134 | 159 | 128 | 123 | 170 | 193 | 198 | 197 | 113 | 114 |
| Jan. | 88 | 120 | 132 | 127 | 125 | 112 | 117 | 121 | 121 | 114 | 117 | 109 | 114 | 135 | 158 | 128 | 123 | 170 | 192 | 201 | 201 | 112 | 113 |
| Feb. | 88 | 121 | 133 | 128 | 125 | 112 | 118 | 122 | 122 | 115 | 117 | 110 | 115 | 136 | 158 | 130 | 124 | 174 | 197 | 203 | 202 | 111 | 113 |
| Mar. | 88 | 122 | 133 | 128 | 125 | 113 | 118 | 123 | 123 | 116 | 117 | 111 | 116 | 137 | 163 | 132 | 125 | 172 | 201 | 204 | 205 | 111 | 112 |
| Apr. | 88 | 122 | 132 | 129 | 125 | 112 | 118 | 123 | 122 | 116 | 117 | 111 | 116 | 137 | 169 | 130 | 126 | 172 | 202 | 200 | 202 | 110 | 112 |
| May | 88 | 122 | 132 | 129 | 125 | 113 | 119 | 124 | 124 | 117 | 118 | 111 | 117 | 137 | 174 | 131 | 128 | 174 | 205 | 199 | 204 | 110 | 113 |
| June | 88 | 123 | 134 | 130 | 125 | 114 | 119 | 125 | 126 | 117 | 118 | 112 | 117 | 139 | 176 | 133 | 129 | 175 | 206 | 201 | 207 | 110 | 113 |
| July | 88 | 123 | 133 | 130 | 124 | 114 | 120 | 125 | 126 | 118 | 118 | 113 | 117 | 139 | 178 | 134 | 129 | 177 | 209 | 200 | 209 | 109 | 112 |
| Aug. | 88 | 123 | 135 | 130 | 124 | 115 | 121 | 126 | 126 | 118 | 118 | 113 | 118 | 140 | 180 | 134 | 131 | 179 | 215 | 204 | 212 | 109 | 113 |
| Sept. | 88 | 124 | 134 | 131 | 125 | 115 | 121 | 127 | 128 | 116 | 118 | 112 | 118 | 140 | 178 | 137 | 131 | 180 | 217 | 205 | 209 | 109 | 113 |
| Oct. | 88 | 124 | 135 | 131 | 124 | 115 | 121 | 127 | 129 | 119 | 118 | 112 | 119 | 141 | 178 | 138 | 130 | 180 | 218 | 208 | 212 | 110 | 114 |
| Nov. | 88 | 124 | 136 | 132 | 124 | 115 | 122 | 129 | 130 | 120 | 120 | 113 | 119 | 142 | 178 | 138 | 131 | 184 | 219 | 208 | 216 | 110 | 114 |
| Dec. | 88 | 125 | 137 | 132 | 125 | 116 | 123 | 129 | 130 | 121 | 119 | 114 | 119 | 143 | 187 | 140 | 130 | 183 | 218 | 209 | 218 | | 115 |
| Jan. | 89 | 126 | 138 | 133 | 126 | 117 | 124 | 130 | 131 | 121 | 120 | 112 | 120 | 144 | 194 | 142 | 131 | 185 | 219 | 212 | 215 | | 115 |
| Feb. | 89 | 126 | 137 | 133 | 125 | 118 | 125 | 130 | 131 | 121 | 119 | 113 | 119 | 144 | 200 | 144 | 131 | 183 | 219 | 214 | 210 | | 115 |
| Mar. | 89 | 127 | 136 | 133 | 125 | 118 | 126 | 131 | 130 | 122 | 119 | 112 | 119 | 149 | 202 | 144 | 132 | 185 | 226 | 214 | 216 | | 115 |
| Apr. | 89 | 127 | 138 | 133 | 126 | 118 | 126 | 131 | 128 | 122 | 119 | 111 | 118 | 145 | 206 | 148 | 131 | 185 | 223 | 210 | 217 | | 116 |
| May | 89 | 127 | 137 | | | 117 | | | 130 | | | | | 147 | | | 134 | 189 | 223 | | | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| Oct. | 87 | 6 | 6 | 7 | 5 | 3 | 5 | 6 | 3 | 7 | 2 | 3 | 0 | 6 | 32 | 6 | 8 | 10 | 18 | 12 | 9 | 3 | 0 |
| Nov. | 87 | 5 | 4 | 7 | 6 | 4 | 2 | 7 | 3 | 7 | 0 | 3 | −1 | 7 | 22 | 5 | 5 | 8 | 13 | 13 | 13 | 3 | −3 |
| Dec. | 87 | 6 | 4 | 7 | 5 | 4 | 2 | 7 | 2 | 8 | −1 | 4 | −1 | 7 | 15 | 8 | 4 | 6 | 13 | 17 | 14 | 1 | −4 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 7 | 2 | 8 | 2 | 5 | −2 | 7 | 10 | 7 | 3 | 4 | 9 | 18 | 16 | −1 | −4 |
| Feb. | 88 | 5 | 3 | 6 | 5 | 4 | 3 | 8 | 4 | 8 | 1 | 6 | 0 | 10 | 6 | 8 | 4 | 8 | 12 | 18 | 14 | −3 | −5 |
| Mar. | 88 | 6 | 3 | 7 | 5 | 4 | 3 | 8 | 4 | 8 | 1 | 7 | 2 | 9 | 10 | 9 | 5 | 4 | 14 | 15 | 15 | −3 | −5 |
| Apr. | 88 | 5 | 1 | 6 | 4 | 3 | 4 | 6 | 3 | 8 | 1 | 7 | 2 | 8 | 14 | 6 | 6 | 4 | 12 | 10 | 10 | −4 | −4 |
| May | 88 | 4 | 1 | 6 | 3 | 3 | 4 | 7 | 4 | 7 | 2 | 6 | 3 | 7 | 17 | 6 | 8 | 4 | 14 | 7 | 9 | −4 | −3 |
| June | 88 | 5 | 3 | 6 | 3 | 4 | 4 | 7 | 7 | 7 | 2 | 7 | 3 | 8 | 16 | 9 | 8 | 5 | 12 | 7 | 11 | −4 | −2 |
| July | 88 | 4 | 1 | 5 | 1 | 3 | 5 | 7 | 6 | 6 | 2 | 7 | 3 | 7 | 16 | 9 | 7 | 6 | 13 | 5 | 12 | −5 | −4 |
| Aug. | 88 | 4 | 4 | 5 | 1 | 5 | 5 | 8 | 6 | 6 | 2 | 6 | 4 | 7 | 16 | 7 | 9 | 8 | 17 | 7 | 13 | −5 | −1 |
| Sept. | 88 | 4 | 2 | 5 | 1 | 4 | 4 | 8 | 8 | 6 | 1 | 4 | 4 | 7 | 13 | 10 | 8 | 8 | 16 | 6 | 7 | −3 | −1 |
| Oct. | 88 | 4 | 3 | 4 | 0 | 3 | 5 | 7 | 8 | 6 | 1 | 3 | 4 | 6 | 11 | 11 | 5 | 7 | 15 | 7 | 9 | −2 | 1 |
| Nov. | 88 | 4 | 4 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 4 | 4 | 3 | 7 | 10 | 9 | 7 | 10 | 14 | 7 | 10 | −1 | 3 |
| Dec. | 88 | 4 | 5 | 4 | 0 | 4 | 6 | 7 | 7 | 6 | 2 | 4 | 3 | 7 | 18 | 11 | 4 | 8 | 11 | 6 | 11 | | 2 |
| Jan. | 89 | 5 | 5 | 4 | 1 | 5 | 7 | 8 | 8 | 5 | 3 | 1 | 4 | 7 | 24 | 11 | 4 | 9 | 10 | 8 | 6 | | 2 |
| Feb. | 89 | 5 | 4 | 4 | 1 | 5 | 8 | 7 | 6 | 5 | 2 | 1 | 2 | 6 | 27 | 12 | 4 | 6 | 8 | 8 | 1 | | 3 |
| Mar. | 89 | 4 | 2 | 3 | 1 | 5 | 7 | 7 | 5 | 6 | 1 | −1 | 1 | 13 | 24 | 11 | 4 | 7 | 12 | 9 | 5 | | 3 |
| Apr. | 89 | 4 | 4 | 3 | 2 | 6 | 6 | 6 | 1 | 5 | 1 | −2 | 1 | 5 | 25 | 15 | 2 | 5 | 7 | 3 | 5 | | 3 |
| May | 89 | 3 | 3 | | | 3 | | | 3 | | | | | 7 | | | 6 | 9 | 6 | | | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 | | 2 |

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The Conference Board

**Economic and Business Environment Program**

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** — **August 1989**

## SUMMARY

*Worldwide*, the global economy is throwing off further signs of a cyclical slowdown. The 11-country indexes both show growth rates faster than the long-term trend, however, so overall the loss of momentum has been limited.

*Regionally*, the pattern is very uneven. The only vigor (still) is to be found in the Pacific Region. In Europe and North America, the leading indexes have been flat since the turn of the year.

*Nationally*, the leading indexes for most countries have been sluggish recently. None of the leading index growth rates have turned negative, but in four cases—the United States, Canada, Italy and Korea—the growth rate has dropped below the economy's long-term trend.

The two pronounced exceptions to this picture are Japan and Taiwan, where the leaders continue to look auspicious. The recent data from Japan are especially encouraging. The imposition of a national sales tax in April distorted the normal pattern of consumer buying in Japan, and might well have caused a sharp temporary dip in the leading index. Although such an aberration may yet show up (when the second-quarter consumer credit and inventory figures become available), thus far the leading index has continued to climb briskly.

### Summary Of Growth Rates, Eleven Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos ago | 3 mos ago | Latest month | 6 mos ago | 3 mos ago | Latest month | Current Reading on the Cycle | Latest Month Covered |
| | annual rates, percent | | | | | | | | |
| Eleven countries | 3 | 5 | 5 | 4 | 6 | 9 | 7 | Expansion continuing | May |
| Ten countries excl. U.S. | 3 | 6 | 6 | 4 | 7 | 12 | 10 | Expansion continuing, leaders strong | May |
| North America (2) | 3 | 4 | 5 | 3 | 3 | 4 | 3 | Expansion continuing | May |
| Europe (4) | 2 | 6 | 5 | 4 | 5 | 5 | 3 | Expansion continuing | May |
| Pacific Region (5) | 4 | 7 | 6 | 5 | 10 | 23 | 20 | Expansion continuing, leaders strong | May |
| United States | 3 | 4 | 5 | 3 | 4 | 2 | 2 | Expansion continuing | June |
| Canada | 3 | 4 | 4 | 3 | 0 | 1 | 0 | Expansion continuing, leaders weak | May |
| West Germany | 2 | 5 | 5 | 5 | 4 | 8 | 5 | Expansion continuing | June/May |
| France | 2 | 8 | 8 | 6 | 8 | 4 | 2 | Expansion continuing | May /June |
| United Kingdom | 2 | 7 | 6 | 6 | 4 | 2 | 3 | Expansion continuing | May |
| Italy | 2 | 4 | 1 | -1 | 3 | 2 | 1 | Downturn may be developing | Apr /May |
| Japan | 4 | 7 | 6 | 5 | 10 | 27 | 23 | Expansion continuing, leaders strong | May |
| Australia | 3 | 9 | 12 | 10 | 6 | 4 | 4 | Expansion continuing | May |
| Taiwan, R.O.C. | 8 | 8 | 7 | 5 | 11 | 12 | 9 | Expansion continuing | June |
| Korea, R.O.K. | 7 | 7 | 8 | 1 | 10 | 3 | 6 | Expansion continuing | May |
| New Zealand | 2 | -4 | -1 | 0 | 4 | 3 | 4 | Upturn developing | Feb /May |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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## INDEXES, WORLDWIDE AND BY REGION, 1987-89

| | | 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 121 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 161 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 131 | 113 | 117 | 135 | 159 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 132 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 124 | 132 | 121 | 132 | 115 | 118 | 137 | 157 |
| Feb. | 88 | 123 | 133 | 124 | 132 | 122 | 133 | 115 | 118 | 139 | 156 |
| Mar. | 88 | 124 | 134 | 125 | 134 | 123 | 133 | 116 | 119 | 140 | 161 |
| Apr. | 88 | 124 | 135 | 125 | 136 | 123 | 132 | 116 | 119 | 139 | 166 |
| May | 88 | 124 | 136 | 126 | 138 | 123 | 132 | 117 | 120 | 140 | 170 |
| June | 88 | 125 | 138 | 127 | 139 | 124 | 135 | 117 | 120 | 141 | 172 |
| July | 88 | 125 | 138 | 127 | 140 | 124 | 133 | 118 | 121 | 141 | 174 |
| Aug. | 88 | 126 | 140 | 128 | 141 | 124 | 136 | 118 | 122 | 142 | 176 |
| Sept. | 88 | 127 | 139 | 128 | 141 | 125 | 135 | 119 | 122 | 143 | 175 |
| Oct. | 88 | 127 | 139 | 128 | 141 | 126 | 135 | 119 | 122 | 144 | 174 |
| Nov. | 88 | 128 | 140 | 130 | 142 | 126 | 136 | 120 | 123 | 145 | 175 |
| Dec. | 88 | 128 | 142 | 130 | 144 | 126 | 136 | 120 | 123 | 146 | 182 |
| Jan. | 89 | 129 | 144 | 131 | 147 | 127 | 138 | 121 | 124 | 147 | 188 |
| Feb. | 89 | 130 | 145 | 131 | 149 | 128 | 137 | 121 | 124 | 147 | 193 |
| Mar. | 89 | 131 | 145 | 133 | 150 | 128 | 136 | 122 | 124 | 152 | 195 |
| Apr. | 89 | 130 | 146 | 132 | 151 | 128 | 137 | 122 | 124 | 148 | 198 |
| May | 89 | 130 | 146 | 132 | 151 | 128 | 137 | 122 | 124 | 148 | 200 |

| 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 6 | 11 | 6 | 13 | 6 | 7 | 5 | 3 | 7 | 28 |
| 6 | 7 | 6 | 9 | 6 | 5 | 5 | 1 | 7 | 20 |
| 7 | 6 | 7 | 7 | 7 | 4 | 6 | 1 | 8 | 14 |
| 6 | 5 | 7 | 5 | 5 | 4 | 6 | 2 | 8 | 10 |
| 7 | 4 | 7 | 4 | 6 | 3 | 6 | 2 | 10 | 6 |
| 7 | 5 | 8 | 6 | 6 | 3 | 6 | 3 | 9 | 10 |
| 6 | 5 | 6 | 7 | 6 | 2 | 5 | 2 | 8 | 13 |
| 6 | 5 | 6 | 9 | 5 | 1 | 6 | 3 | 6 | 16 |
| 6 | 7 | 6 | 9 | 5 | 4 | 6 | 4 | 8 | 15 |
| 6 | 6 | 6 | 9 | 5 | 1 | 5 | 4 | 7 | 15 |
| 5 | 7 | 6 | 9 | 4 | 4 | 6 | 5 | 7 | 16 |
| 5 | 6 | 6 | 8 | 4 | 3 | 6 | 5 | 7 | 12 |
| 5 | 6 | 5 | 7 | 5 | 3 | 5 | 5 | 6 | 10 |
| 5 | 6 | 6 | 7 | 4 | 3 | 6 | 5 | 7 | 10 |
| 5 | 8 | 6 | 10 | 4 | 4 | 6 | 5 | 7 | 16 |
| 5 | 9 | 6 | 12 | 5 | 5 | 5 | 6 | 7 | 21 |
| 5 | 9 | 6 | 12 | 5 | 4 | 5 | 5 | 6 | 23 |
| 6 | 8 | 8 | 11 | 4 | 2 | 5 | 4 | 12 | 21 |
| 5 | 8 | 5 | 11 | 4 | 3 | 5 | 3 | 6 | 22 |
| 4 | 7 | 4 | 10 | 3 | 3 | 4 | 3 | 5 | 20 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, ELEVEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | | New Zealand | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 120 | 133 | 125 | 122 | 111 | 117 | 119 | 121 | 112 | 117 | 108 | 115 | 132 | 164 | 126 | 124 | 171 | 194 | 189 | 188 | 114 | 116 |
| Nov. | 87 | 120 | 132 | 126 | 123 | 112 | 116 | 120 | 121 | 113 | 116 | 107 | 115 | 133 | 161 | 126 | 123 | 170 | 191 | 192 | 194 | 114 | 114 |
| Dec. | 87 | 121 | 133 | 127 | 123 | 112 | 116 | 120 | 121 | 114 | 116 | 108 | 115 | 134 | 159 | 128 | 123 | 170 | 193 | 198 | 197 | 113 | 114 |
| Jan. | 88 | 121 | 133 | 127 | 125 | 112 | 117 | 121 | 121 | 114 | 117 | 110 | 114 | 135 | 158 | 128 | 123 | 170 | 192 | 201 | 201 | 112 | 113 |
| Feb. | 88 | 121 | 133 | 128 | 125 | 112 | 118 | 122 | 122 | 115 | 117 | 110 | 115 | 136 | 158 | 130 | 124 | 174 | 197 | 203 | 202 | 111 | 113 |
| Mar. | 88 | 122 | 134 | 128 | 125 | 113 | 118 | 123 | 123 | 116 | 117 | 111 | 116 | 137 | 163 | 132 | 125 | 172 | 201 | 204 | 205 | 111 | 113 |
| Apr. | 88 | 122 | 133 | 129 | 125 | 112 | 118 | 123 | 123 | 116 | 117 | 111 | 116 | 137 | 169 | 130 | 126 | 172 | 202 | 200 | 202 | 110 | 113 |
| May | 88 | 123 | 133 | 129 | 125 | 113 | 119 | 124 | 124 | 117 | 118 | 111 | 117 | 137 | 174 | 131 | 128 | 174 | 205 | 199 | 203 | 110 | 113 |
| June | 88 | 123 | 136 | 130 | 125 | 114 | 119 | 125 | 126 | 117 | 118 | 112 | 117 | 139 | 176 | 133 | 129 | 175 | 206 | 201 | 207 | 110 | 113 |
| July | 88 | 124 | 134 | 130 | 124 | 114 | 121 | 125 | 126 | 118 | 118 | 113 | 117 | 139 | 178 | 134 | 129 | 177 | 209 | 200 | 209 | 109 | 112 |
| Aug. | 88 | 124 | 137 | 130 | 124 | 115 | 121 | 126 | 127 | 118 | 118 | 113 | 118 | 140 | 180 | 134 | 131 | 179 | 215 | 204 | 212 | 109 | 113 |
| Sept. | 88 | 124 | 136 | 131 | 125 | 115 | 121 | 127 | 128 | 118 | 118 | 112 | 118 | 140 | 178 | 137 | 131 | 180 | 217 | 205 | 209 | 110 | 114 |
| Oct. | 88 | 125 | 136 | 131 | 124 | 115 | 121 | 127 | 129 | 119 | 118 | 112 | 119 | 141 | 178 | 138 | 130 | 180 | 217 | 208 | 212 | 110 | 114 |
| Nov. | 88 | 125 | 137 | 132 | 124 | 115 | 122 | 129 | 130 | 120 | 120 | 113 | 119 | 142 | 178 | 138 | 131 | 184 | 219 | 208 | 216 | 110 | 116 |
| Dec. | 88 | 126 | 138 | 132 | 125 | 116 | 123 | 129 | 130 | 121 | 119 | 113 | 118 | 143 | 187 | 140 | 130 | 183 | 218 | 209 | 219 | 110 | 115 |
| Jan. | 89 | 126 | 139 | 133 | 126 | 117 | 124 | 130 | 131 | 121 | 120 | 112 | 119 | 144 | 194 | 142 | 131 | 185 | 219 | 212 | 218 | 110 | 115 |
| Feb. | 89 | 127 | 138 | 133 | 125 | 118 | 125 | 131 | 130 | 122 | 119 | 113 | 119 | 144 | 200 | 144 | 131 | 183 | 219 | 214 | 213 | 110 | 116 |
| Mar. | 89 | 127 | 137 | 133 | 126 | 118 | 126 | 132 | 130 | 122 | 119 | 112 | 119 | 149 | 202 | 144 | 132 | 185 | 226 | 214 | 219 | | 116 |
| Apr. | 89 | 127 | 138 | 133 | 125 | 118 | 126 | 132 | 128 | 122 | 119 | 112 | 119 | 145 | 206 | 148 | 131 | 185 | 223 | 210 | 219 | | 116 |
| May | 89 | 127 | 138 | 133 | 125 | 118 | 125 | 132 | 129 | 123 | 120 | | 119 | 145 | 208 | 146 | 133 | 188 | 223 | 208 | 219 | | 117 |
| June | 89 | 127 | 138 | | | 119 | | | 130 | | | | | | | | | 186 | 227 | | | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| Oct. | 87 | 6 | 7 | 7 | 5 | 3 | 5 | 6 | 4 | 7 | 2 | 4 | 0 | 6 | 32 | 6 | 8 | 10 | 18 | 12 | 9 | 3 | 0 |
| Nov. | 87 | 6 | 5 | 7 | 6 | 4 | 3 | 7 | 3 | 7 | 0 | 3 | -1 | 7 | 22 | 5 | 5 | 8 | 13 | 13 | 13 | 3 | -3 |
| Dec. | 87 | 6 | 4 | 7 | 5 | 4 | 2 | 7 | 3 | 8 | -1 | 4 | -1 | 7 | 15 | 8 | 4 | 6 | 13 | 17 | 14 | 1 | -3 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 7 | 3 | 8 | 2 | 6 | -2 | 8 | 10 | 7 | 3 | 4 | 9 | 18 | 16 | -1 | -4 |
| Feb. | 88 | 6 | 3 | 6 | 5 | 4 | 3 | 7 | 4 | 8 | 1 | 6 | 0 | 9 | 6 | 8 | 4 | 8 | 12 | 18 | 14 | -3 | -5 |
| Mar. | 88 | 6 | 3 | 7 | 5 | 4 | 3 | 7 | 5 | 8 | 1 | 6 | 2 | 9 | 10 | 9 | 5 | 4 | 14 | 15 | 15 | -3 | -4 |
| Apr. | 88 | 6 | 1 | 6 | 4 | 3 | 4 | 6 | 3 | 8 | 1 | 6 | 2 | 8 | 14 | 6 | 6 | 4 | 12 | 10 | 9 | -4 | -4 |
| May | 88 | 5 | 1 | 6 | 3 | 4 | 4 | 7 | 5 | 8 | 2 | 6 | 3 | 7 | 17 | 6 | 8 | 4 | 14 | 7 | 9 | -4 | -3 |
| June | 88 | 5 | 4 | 6 | 3 | 4 | 4 | 7 | 7 | 7 | 2 | 6 | 3 | 8 | 16 | 9 | 8 | 5 | 12 | 7 | 11 | -4 | -2 |
| July | 88 | 5 | 1 | 5 | 1 | 3 | 5 | 7 | 7 | 6 | 2 | 7 | 3 | 7 | 16 | 9 | 7 | 6 | 13 | 5 | 11 | -5 | -3 |
| Aug. | 88 | 4 | 5 | 5 | 1 | 5 | 5 | 8 | 7 | 5 | 2 | 5 | 4 | 7 | 16 | 7 | 9 | 8 | 17 | 7 | 13 | -4 | -1 |
| Sept. | 88 | 4 | 3 | 5 | 1 | 4 | 4 | 8 | 8 | 6 | 1 | 4 | 3 | 7 | 13 | 10 | 8 | 8 | 16 | 6 | 7 | -3 | 0 |
| Oct. | 88 | 5 | 3 | 4 | 0 | 3 | 5 | 7 | 9 | 6 | 2 | 3 | 4 | 6 | 11 | 11 | 5 | 7 | 15 | 7 | 9 | -2 | 2 |
| Nov. | 88 | 4 | 4 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 4 | 4 | 3 | 7 | 10 | 9 | 6 | 10 | 14 | 7 | 10 | -1 | 4 |
| Dec. | 88 | 4 | 4 | 4 | 1 | 5 | 6 | 8 | 8 | 6 | 2 | 4 | 3 | 7 | 18 | 11 | 4 | 8 | 11 | 6 | 11 | 0 | 3 |
| Jan. | 89 | 5 | 5 | 4 | 1 | 5 | 7 | 8 | 7 | 6 | 3 | 1 | 3 | 7 | 24 | 11 | 5 | 9 | 10 | 8 | 9 | 0 | 3 |
| Feb. | 89 | 5 | 4 | 4 | 1 | 5 | 8 | 8 | 6 | 6 | 2 | 1 | 2 | 6 | 27 | 12 | 4 | 6 | 8 | 8 | 3 | 0 | 3 |
| Mar. | 89 | 5 | 2 | 3 | 1 | 5 | 7 | 8 | 4 | 5 | 1 | -1 | 1 | 13 | 24 | 10 | 4 | 7 | 12 | 9 | 8 | | 3 |
| Apr. | 89 | 4 | 3 | 3 | 1 | 5 | 6 | 7 | 1 | 5 | 1 | -1 | 1 | 5 | 25 | 16 | 2 | 5 | 7 | 3 | 7 | | 3 |
| May | 89 | 3 | 3 | 3 | 0 | 4 | 5 | 6 | 2 | 6 | 3 | | 1 | 5 | 23 | 10 | 4 | 7 | 6 | 1 | 6 | | 4 |
| June | 89 | 3 | 2 | | | 5 | | | 2 | | | | | | | | | 5 | 9 | | | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 | | 2 |

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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

# International Economic Scoreboard

A Monthly Report from The Conference Board — September 1989

## SUMMARY

Worldwide, the global expansion continues but at a somewhat slower pace, with the 11-country performance index slowing from five percent to four percent. The leading index suggests this slowing will continue.

Regionally, the greatest strength is in the PacificRegion, the greatest weakness in North America, with Europe in between. In all three regions, however, the leading indexes point to a slowdown.

Nationally, the leading index growth rates have dropped to minus one percent in France, and to zero in the U.S., Canada, Australia and the U.K. The leading index for Japan is still moving up rapidly.

The leading indexes are exhibiting the widest display of weakness so far this year, suggesting that economic growth will continue to slow down in most countries. So far, however, there are no clear signs of recession among the eleven countries, although a downturn may be developing in Italy.

### Summary Of Growth Rates, Eleven Industrial Countries

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | Current Reading on the Cycle | Latest Month Covered |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | | |
| | annual rates, percent | | | | | | | | |
| Eleven countries | 3 | 5 | 6 | 4 | 8 | 8 | 6 | Expansion continuing | June |
| Ten countries excl. U.S. | 3 | 6 | 8 | 5 | 10 | 11 | 10 | Expansion continuing, leaders strong | June |
| North America (2) | 3 | 4 | 4 | 3 | 4 | 2 | 1 | Expansion continuing, leaders weak | June |
| Europe (4) | 2 | 6 | 5 | 5 | 5 | 4 | 3 | Expansion continuing | June |
| Pacific Region (5) | 4 | 7 | 12 | 6 | 16 | 21 | 18 | Expansion continuing, leaders strong | June |
| United States | 3 | 4 | 4 | 3 | 5 | 3 | 0 | Expansion continuing, leaders weak | July |
| Canada | 3 | 4 | 3 | 3 | 1 | 1 | 0 | Expansion continuing, leaders weak | June |
| West Germany | 2 | 5 | 5 | 4 | 6 | 7 | 4 | Expansion continuing | July/June |
| France | 2 | 8 | 8 | 6 | 8 | 3 | -1 | Expansion continuing, leaders weak | June/July |
| United Kingdom | 2 | 6 | 5 | 5 | 2 | 1 | 0 | Expansion continuing, leaders weak | June |
| Italy | 2 | 3 | 1 | -1 | 3 | 1 | 2 | Downturn may be developing | Apr./June |
| Japan | 4 | 7 | 13 | 6 | 18 | 24 | 21 | Expansion continuing, leaders strong | June |
| Australia | 3 | 10 | 10 | 11 | 2 | 2 | 0 | Expansion continuing, leaders weak | June |
| Taiwan, R.O.C. | 8 | 9 | 5 | 2 | 10 | 7 | 7 | Expansion continuing | July |
| Korea, R.O.K. | 7 | 6 | 9 | 3 | 11 | 8 | 2 | Expansion continuing | June |
| New Zealand | 2 | -3 | 1 | 2 | 3 | 5 | 5 | Upturn developing | Feb./June |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**
845 Third Avenue, New York, N.Y. 10022 / (212) 759-0900

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## INDEXES, WORLDWIDE AND BY REGION, 1987-89

| | | 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 120 | 133 | 121 | 133 | 120 | 132 | 113 | 118 | 134 | 161 |
| Nov. | 87 | 121 | 132 | 122 | 132 | 120 | 131 | 113 | 117 | 135 | 159 |
| Dec. | 87 | 122 | 132 | 123 | 132 | 121 | 132 | 114 | 117 | 136 | 157 |
| Jan. | 88 | 122 | 132 | 124 | 132 | 121 | 132 | 115 | 118 | 137 | 157 |
| Feb. | 88 | 123 | 133 | 125 | 132 | 122 | 132 | 115 | 118 | 139 | 156 |
| Mar. | 88 | 124 | 134 | 125 | 134 | 123 | 133 | 116 | 119 | 140 | 161 |
| Apr. | 88 | 124 | 135 | 125 | 136 | 123 | 132 | 116 | 119 | 139 | 166 |
| May | 88 | 124 | 136 | 126 | 138 | 123 | 132 | 117 | 120 | 139 | 170 |
| June | 88 | 125 | 138 | 127 | 139 | 124 | 134 | 117 | 120 | 141 | 172 |
| July | 88 | 126 | 138 | 127 | 140 | 124 | 133 | 118 | 121 | 141 | 174 |
| Aug. | 88 | 126 | 139 | 128 | 141 | 124 | 135 | 118 | 121 | 142 | 176 |
| Sept. | 88 | 127 | 139 | 128 | 141 | 125 | 135 | 119 | 122 | 143 | 174 |
| Oct. | 88 | 127 | 139 | 129 | 141 | 126 | 135 | 119 | 122 | 144 | 174 |
| Nov. | 88 | 128 | 140 | 130 | 142 | 126 | 136 | 120 | 123 | 145 | 175 |
| Dec. | 88 | 128 | 142 | 130 | 144 | 126 | 136 | 121 | 123 | 146 | 182 |
| Jan. | 89 | 129 | 144 | 131 | 147 | 127 | 137 | 121 | 124 | 146 | 188 |
| Feb. | 89 | 130 | 144 | 131 | 149 | 127 | 137 | 122 | 124 | 147 | 193 |
| Mar. | 89 | 131 | 145 | 133 | 150 | 128 | 136 | 122 | 124 | 152 | 194 |
| Apr. | 89 | 130 | 146 | 132 | 151 | 128 | 137 | 122 | 124 | 148 | 198 |
| May | 89 | 130 | 146 | 132 | 151 | 128 | 136 | 122 | 125 | 148 | 199 |
| June | 89 | 131 | 146 | 133 | 152 | 128 | 136 | 123 | 125 | 150 | 201 |

| 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 6 | 11 | 6 | 13 | 6 | 7 | 5 | 3 | 7 | 28 |
| 6 | 7 | 6 | 9 | 6 | 5 | 5 | 1 | 7 | 20 |
| 7 | 6 | 7 | 7 | 7 | 4 | 6 | 1 | 8 | 14 |
| 6 | 5 | 7 | 5 | 5 | 3 | 6 | 2 | 8 | 10 |
| 7 | 4 | 8 | 4 | 6 | 3 | 6 | 2 | 10 | 6 |
| 7 | 4 | 8 | 6 | 6 | 3 | 6 | 3 | 9 | 10 |
| 6 | 5 | 6 | 7 | 6 | 1 | 6 | 2 | 8 | 13 |
| 6 | 5 | 6 | 9 | 5 | 1 | 6 | 3 | 6 | 16 |
| 6 | 7 | 6 | 9 | 6 | 3 | 6 | 4 | 8 | 15 |
| 6 | 6 | 6 | 9 | 5 | 1 | 6 | 4 | 7 | 15 |
| 6 | 7 | 6 | 9 | 5 | 4 | 6 | 5 | 6 | 15 |
| 5 | 6 | 6 | 8 | 4 | 3 | 6 | 5 | 7 | 12 |
| 5 | 5 | 5 | 7 | 5 | 3 | 5 | 5 | 6 | 10 |
| 5 | 6 | 6 | 7 | 4 | 3 | 6 | 5 | 7 | 10 |
| 5 | 8 | 6 | 10 | 4 | 4 | 6 | 5 | 7 | 16 |
| 5 | 9 | 6 | 12 | 4 | 5 | 6 | 6 | 7 | 21 |
| 5 | 9 | 6 | 12 | 5 | 4 | 6 | 5 | 6 | 23 |
| 5 | 8 | 8 | 11 | 4 | 2 | 5 | 4 | 12 | 21 |
| 5 | 8 | 5 | 11 | 4 | 3 | 5 | 3 | 6 | 22 |
| 4 | 7 | 4 | 10 | 3 | 2 | 4 | 3 | 5 | 19 |
| 4 | 6 | 5 | 10 | 3 | 1 | 5 | 3 | 6 | 18 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, ELEVEN COUNTRIES, 1987-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | | New Zealand | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 87 | 119 | 133 | 125 | 122 | 111 | 117 | 119 | 121 | 112 | 117 | 108 | 115 | 132 | 164 | 125 | 123 | 171 | 194 | 189 | 188 | 114 | 115 |
| Nov. | 87 | 120 | 132 | 126 | 123 | 112 | 116 | 120 | 121 | 113 | 116 | 107 | 115 | 133 | 161 | 125 | 122 | 171 | 191 | 192 | 194 | 114 | 114 |
| Dec. | 87 | 121 | 133 | 127 | 123 | 112 | 116 | 121 | 121 | 114 | 116 | 108 | 115 | 134 | 160 | 127 | 122 | 171 | 193 | 198 | 197 | 113 | 113 |
| Jan. | 88 | 120 | 133 | 127 | 124 | 112 | 117 | 122 | 121 | 114 | 117 | 110 | 114 | 135 | 158 | 127 | 122 | 170 | 192 | 201 | 201 | 112 | 113 |
| Feb. | 88 | 121 | 133 | 128 | 125 | 112 | 118 | 122 | 122 | 115 | 117 | 110 | 115 | 136 | 158 | 129 | 123 | 175 | 197 | 203 | 202 | 111 | 112 |
| Mar. | 88 | 122 | 133 | 129 | 125 | 113 | 118 | 123 | 123 | 116 | 117 | 111 | 116 | 137 | 163 | 130 | 124 | 172 | 201 | 204 | 205 | 111 | 112 |
| Apr. | 88 | 122 | 133 | 129 | 125 | 112 | 118 | 123 | 122 | 116 | 117 | 111 | 116 | 137 | 169 | 129 | 126 | 173 | 202 | 200 | 202 | 110 | 112 |
| May | 88 | 122 | 133 | 129 | 125 | 113 | 119 | 124 | 124 | 117 | 118 | 111 | 117 | 137 | 174 | 129 | 127 | 174 | 205 | 199 | 203 | 110 | 112 |
| June | 88 | 123 | 135 | 130 | 125 | 114 | 119 | 125 | 126 | 117 | 118 | 112 | 117 | 139 | 176 | 132 | 128 | 175 | 206 | 201 | 207 | 110 | 112 |
| July | 88 | 124 | 134 | 130 | 124 | 114 | 121 | 126 | 126 | 118 | 118 | 113 | 117 | 139 | 178 | 132 | 128 | 178 | 209 | 200 | 209 | 110 | 111 |
| Aug. | 88 | 124 | 136 | 131 | 125 | 115 | 121 | 127 | 126 | 118 | 118 | 113 | 118 | 140 | 180 | 132 | 129 | 180 | 215 | 204 | 212 | 110 | 112 |
| Sept. | 88 | 124 | 136 | 131 | 125 | 115 | 121 | 128 | 128 | 118 | 118 | 112 | 118 | 140 | 178 | 135 | 129 | 181 | 217 | 205 | 209 | 111 | 112 |
| Oct. | 88 | 125 | 136 | 131 | 124 | 115 | 121 | 128 | 129 | 119 | 118 | 112 | 119 | 141 | 178 | 136 | 128 | 180 | 217 | 208 | 212 | 111 | 114 |
| Nov. | 88 | 125 | 136 | 132 | 124 | 115 | 122 | 130 | 130 | 120 | 120 | 113 | 119 | 142 | 178 | 136 | 129 | 184 | 219 | 208 | 216 | 112 | 115 |
| Dec. | 88 | 126 | 138 | 132 | 125 | 116 | 123 | 130 | 130 | 121 | 119 | 113 | 118 | 143 | 187 | 138 | 128 | 184 | 218 | 209 | 219 | 112 | 114 |
| Jan. | 89 | 126 | 138 | 133 | 126 | 117 | 124 | 131 | 131 | 121 | 120 | 112 | 119 | 144 | 194 | 139 | 128 | 185 | 219 | 212 | 218 | 112 | 115 |
| Feb. | 89 | 127 | 138 | 133 | 125 | 118 | 125 | 132 | 130 | 122 | 119 | 113 | 119 | 144 | 200 | 142 | 128 | 184 | 219 | 214 | 213 | 112 | 116 |
| Mar. | 89 | 127 | 137 | 133 | 126 | 118 | 126 | 133 | 131 | 122 | 119 | 112 | 119 | 149 | 202 | 141 | 129 | 186 | 226 | 214 | 219 | | 116 |
| Apr. | 89 | 127 | 138 | 133 | 126 | 118 | 126 | 133 | 130 | 122 | 119 | 112 | 119 | 145 | 206 | 144 | 128 | 185 | 223 | 210 | 219 | | 117 |
| May | 89 | 127 | 138 | 133 | 125 | 118 | 125 | 133 | 131 | 123 | 120 | | 119 | 145 | 207 | 142 | 130 | 188 | 223 | 208 | 219 | | 117 |
| June | 89 | 127 | 137 | 134 | 125 | 119 | 125 | 134 | 132 | 123 | 119 | | 119 | 147 | 209 | 146 | 129 | 186 | 227 | 212 | 217 | | 117 |
| July | 89 | 128 | 137 | | | 119 | | | 129 | | | | | | | | | 185 | 228 | | | | |
| Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | | | |
| Oct. | 87 | 6 | 7 | 7 | 5 | 3 | 5 | 7 | 4 | 7 | 2 | 4 | 0 | 6 | 32 | 6 | 8 | 10 | 18 | 12 | 9 | 3 | −1 |
| Nov. | 87 | 6 | 5 | 7 | 6 | 4 | 3 | 7 | 3 | 7 | 0 | 3 | −1 | 7 | 22 | 5 | 6 | 7 | 13 | 13 | 13 | 3 | −4 |
| Dec. | 87 | 6 | 4 | 7 | 5 | 4 | 2 | 7 | 3 | 8 | −1 | 4 | −1 | 7 | 16 | 8 | 5 | 6 | 13 | 17 | 14 | 1 | −4 |
| Jan. | 88 | 5 | 3 | 7 | 6 | 3 | 3 | 8 | 3 | 8 | 2 | 6 | −2 | 8 | 10 | 7 | 4 | 4 | 9 | 18 | 16 | −2 | −4 |
| Feb. | 88 | 6 | 3 | 7 | 5 | 4 | 3 | 8 | 4 | 8 | 1 | 6 | 0 | 9 | 6 | 8 | 5 | 8 | 12 | 18 | 14 | −3 | −5 |
| Mar. | 88 | 6 | 2 | 7 | 5 | 4 | 3 | 8 | 5 | 8 | 1 | 6 | 2 | 9 | 10 | 9 | 6 | 4 | 14 | 15 | 15 | −3 | −5 |
| Apr. | 88 | 6 | 1 | 6 | 4 | 3 | 4 | 7 | 3 | 8 | 1 | 6 | 2 | 8 | 14 | 6 | 6 | 4 | 12 | 10 | 9 | −3 | −5 |
| May | 88 | 5 | 0 | 6 | 3 | 4 | 4 | 7 | 5 | 8 | 2 | 6 | 3 | 7 | 17 | 5 | 8 | 4 | 14 | 7 | 9 | −3 | −4 |
| June | 88 | 6 | 3 | 6 | 3 | 4 | 4 | 8 | 7 | 7 | 2 | 6 | 3 | 8 | 16 | 8 | 7 | 5 | 12 | 7 | 11 | −3 | −3 |
| July | 88 | 5 | 1 | 5 | 1 | 3 | 5 | 8 | 6 | 6 | 2 | 7 | 3 | 7 | 16 | 8 | 6 | 6 | 13 | 5 | 11 | −3 | −4 |
| Aug. | 88 | 5 | 5 | 5 | 1 | 5 | 5 | 8 | 6 | 5 | 2 | 5 | 4 | 7 | 16 | 6 | 8 | 8 | 17 | 7 | 13 | −5 | −2 |
| Sept. | 88 | 4 | 3 | 5 | 1 | 4 | 4 | 9 | 8 | 6 | 1 | 4 | 3 | 7 | 13 | 9 | 6 | 8 | 16 | 6 | 7 | −2 | −1 |
| Oct. | 88 | 5 | 3 | 4 | 0 | 3 | 5 | 7 | 9 | 6 | 1 | 3 | 4 | 6 | 11 | 10 | 3 | 6 | 15 | 7 | 9 | −1 | 1 |
| Nov. | 88 | 4 | 4 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 4 | 4 | 3 | 7 | 10 | 8 | 5 | 10 | 14 | 7 | 10 | 1 | 4 |
| Dec. | 88 | 4 | 5 | 4 | 1 | 5 | 6 | 8 | 8 | 6 | 2 | 4 | 3 | 7 | 18 | 10 | 2 | 8 | 11 | 6 | 11 | 1 | 3 |
| Jan. | 89 | 4 | 5 | 4 | 1 | 5 | 7 | 9 | 8 | 6 | 4 | 1 | 3 | 7 | 24 | 11 | 3 | 9 | 10 | 8 | 9 | 2 | 4 |
| Feb. | 89 | 5 | 4 | 4 | 1 | 5 | 8 | 8 | 6 | 6 | 2 | 1 | 2 | 6 | 27 | 12 | 2 | 6 | 8 | 8 | 3 | 2 | 4 |
| Mar. | 89 | 4 | 2 | 3 | 1 | 5 | 7 | 8 | 5 | 5 | 1 | −1 | 1 | 13 | 24 | 10 | 2 | 7 | 12 | 9 | 8 | | 5 |
| Apr. | 89 | 4 | 3 | 3 | 1 | 5 | 6 | 7 | 3 | 5 | 1 | −1 | 1 | 5 | 25 | 13 | 0 | 5 | 7 | 3 | 7 | | 6 |
| May | 89 | 4 | 2 | 3 | 1 | 4 | 5 | 6 | 4 | 6 | 2 | | 1 | 5 | 22 | 8 | 3 | 6 | 6 | 1 | 5 | | 5 |
| June | 89 | 3 | 1 | 3 | 0 | 5 | 4 | 6 | 5 | 5 | 0 | | 2 | 6 | 21 | 11 | 0 | 3 | 9 | 3 | 2 | | 5 |
| July | 89 | 3 | 0 | | | 4 | | | −1 | | | | | | | | | 2 | 7 | | | | |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | | | |
| **1976-86** | | **3** | **3** | **3** | **3** | **2** | **2** | **2** | **2** | **2** | **2** | **2** | **2** | **4** | **4** | **3** | **3** | **8** | **8** | **7** | **7** | | **2** |

The Conference Board

*Economic and Business Environment Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** **October 1989**

## SUMMARY

*Worldwide,* for the first time since the 1987 stock market crash, the indexes that track the global business cycle are now showing a pr nounced leveling off. The same pattern is found in each of the world's major regions.

*Nationally,* the pedestrian performance of the leaders is fairly widespread. Only West Germany (by a wide margin) and France (narrowly) have leading indexes with enough pep to be rising faster than the country's long-term growth rate. Taiwan's leading index is climbing at an 8 percent rate, but that pace (which would be vigorous for almost any other country) only matches the nation's trend growth.

The most inexplicable numbers are for Australia, where the economic performance index is rising at an explosive 11 percent rate, while the leading index is falling at a 3 percent clip. Elsewhere, including the United States and Japan, the leading indexes are prosaic. (As discussed in previous issues of the *Scoreboard,* the Japanese data are distorted by the new value-added tax imposed last April 1. This raises the possibility that the economic outlook there may not be as lackluster as the index suggests.)

*Interpretation:* If you're looking for excitement in the business cycle, you've come to the wrong place. In particular, the leveling off of the leading indexes should not be magnified into a recession forecast. Meaningful declines in the leaders are still too difficult to find to justify a conclusion of that sort. What the indexes do suggest is a distinctly slower pace of economic advance.

**Summary Of Growth Rates, Eleven Industrial Countries**

| | Ten-year Growth Rate | Indexes of Economic Performance Growth Rates* | | | Leading Business Cycle Indexes Growth Rates* | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1976-86 | 6 mos. ago | 3 mos. ago | Latest month | 6 mos. ago | 3 mos. ago | Latest month | Current Reading on the Cycle | Latest Month Covered |
| | annual rates, percent | | | | | | | | |
| Eleven countries | 3 | 6 | 5 | 4 | 7 | 4 | 1 | Expansion continuing, leaders weak | July |
| Ten countries excl. U.S. | 3 | 6 | 5 | 4 | 8 | 5 | 2 | Expansion continuing | July |
| North America (2) | 3 | 4 | 4 | 2 | 5 | 2 | -2 | Expansion continuing, leaders weak | July |
| Europe (4) | 2 | 6 | 5 | 4 | 6 | 3 | 3 | Expansion continuing | July |
| Pacific Region (5) | 4 | 7 | 5 | 5 | 13 | 7 | 1 | Expansion continuing, leaders weak | July |
| United States | 3 | 5 | 4 | 3 | 4 | 2 | 2 | Expansion continuing | Aug. |
| Canada | 3 | 4 | 3 | 2 | 1 | 0 | 0 | Expansion continuing, leaders weak | July |
| West Germany | 2 | 5 | 4 | 6 | 7 | 8 | 8 | Expansion continuing | Aug./July |
| France | 2 | 8 | 8 | 7 | 6 | 5 | 3 | Expansion continuing | June/Aug. |
| United Kingdom | 2 | 7 | 5 | 5 | 4 | 1 | 0 | Expansion continuing, leaders weak | Aug./July |
| Italy | 2 | 3 | 1 | -1 | 3 | -1 | 2 | Cyclical direction uncertain | Apr./July |
| Japan | 4 | 7 | 5 | 4 | 14 | 7 | 1 | Expansion continuing, leaders weak | July |
| Australia | 3 | 11 | 13 | 11 | 3 | 0 | -3 | Expansion continuing, leaders weak | July |
| Taiwan, R.O.C. | 8 | 6 | 6 | 6 | 8 | 6 | 8 | Expansion continuing | Aug. |
| Korea, R.O.K. | 7 | 8 | 4 | 6 | 9 | 5 | 2 | Expansion continuing | July |
| New Zealand | 2 | 1 | 2 | -2 | 4 | 6 | 2 | Upturn developing, with a setback | Apr./July |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**

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## INDEXES, WORLDWIDE AND BY REGION, 1988-89

| | | 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 88 | 122 | 130 | 124 | 127 | 121 | 132 | 115 | 118 | 137 | 142 |
| Feb. | 88 | 123 | 130 | 125 | 128 | 122 | 133 | 115 | 118 | 139 | 143 |
| Mar. | 88 | 124 | 131 | 125 | 129 | 123 | 133 | 116 | 119 | 140 | 145 |
| Apr. | 88 | 124 | 131 | 125 | 129 | 123 | 133 | 116 | 119 | 139 | 147 |
| May | 88 | 124 | 132 | 126 | 130 | 123 | 133 | 117 | 120 | 139 | 148 |
| June | 88 | 125 | 133 | 127 | 131 | 124 | 135 | 117 | 120 | 141 | 150 |
| July | 88 | 126 | 133 | 127 | 132 | 124 | 134 | 118 | 121 | 141 | 151 |
| Aug. | 88 | 126 | 134 | 128 | 133 | 124 | 136 | 119 | 121 | 142 | 153 |
| Sept. | 88 | 127 | 134 | 128 | 133 | 125 | 135 | 119 | 122 | 143 | 152 |
| Oct. | 88 | 127 | 134 | 129 | 133 | 126 | 136 | 119 | 122 | 143 | 152 |
| Nov. | 88 | 128 | 135 | 130 | 134 | 126 | 136 | 120 | 123 | 145 | 153 |
| Dec. | 88 | 129 | 136 | 130 | 135 | 126 | 137 | 121 | 123 | 146 | 157 |
| Jan. | 89 | 129 | 138 | 131 | 137 | 127 | 138 | 121 | 124 | 147 | 159 |
| Feb. | 89 | 130 | 138 | 132 | 137 | 127 | 138 | 122 | 124 | 147 | 160 |
| Mar. | 89 | 131 | 137 | 133 | 137 | 128 | 137 | 122 | 124 | 151 | 159 |
| Apr. | 89 | 130 | 137 | 132 | 137 | 128 | 137 | 122 | 124 | 148 | 159 |
| May | 89 | 130 | 137 | 132 | 136 | 128 | 137 | 122 | 125 | 148 | 157 |
| June | 89 | 131 | 137 | 133 | 137 | 128 | 136 | 123 | 125 | 150 | 158 |
| July | 89 | 131 | 136 | 133 | 137 | 128 | 135 | 123 | 125 | 150 | 157 |

| 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|
| Growth Rates, Percent | | | | | | | | | |
| Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| 6 | 5 | 7 | 5 | 5 | 4 | 6 | 2 | 8 | 10 |
| 7 | 4 | 8 | 5 | 6 | 4 | 6 | 2 | 10 | 9 |
| 7 | 4 | 8 | 6 | 6 | 3 | 7 | 3 | 9 | 9 |
| 6 | 4 | 6 | 5 | 6 | 2 | 6 | 2 | 8 | 10 |
| 6 | 4 | 6 | 6 | 5 | 1 | 6 | 3 | 6 | 10 |
| 6 | 5 | 7 | 6 | 6 | 4 | 6 | 4 | 8 | 10 |
| 6 | 4 | 6 | 6 | 5 | 1 | 6 | 4 | 7 | 10 |
| 6 | 6 | 6 | 7 | 5 | 5 | 6 | 5 | 6 | 11 |
| 5 | 5 | 6 | 6 | 4 | 3 | 6 | 5 | 7 | 8 |
| 5 | 5 | 6 | 6 | 5 | 3 | 5 | 5 | 6 | 7 |
| 5 | 5 | 5 | 6 | 4 | 3 | 6 | 6 | 7 | 7 |
| 6 | 6 | 5 | 7 | 4 | 4 | 6 | 5 | 7 | 11 |
| 6 | 7 | 6 | 8 | 4 | 5 | 6 | 6 | 7 | 13 |
| 5 | 6 | 6 | 8 | 5 | 4 | 6 | 5 | 6 | 12 |
| 6 | 5 | 7 | 6 | 4 | 2 | 5 | 5 | 11 | 9 |
| 5 | 4 | 5 | 5 | 4 | 2 | 5 | 3 | 5 | 7 |
| 4 | 3 | 4 | 3 | 3 | 2 | 4 | 4 | 4 | 3 |
| 4 | 2 | 5 | 3 | 3 | -0 | 4 | 3 | 6 | 3 |
| 4 | 1 | 4 | 2 | 2 | -2 | 4 | 3 | 5 | 1 |
| Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, ELEVEN COUNTRIES, 1988-89

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | | New Zealand | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Jan. | 88 | 120 | 133 | 127 | 124 | 112 | 117 | 122 | 121 | 115 | 117 | 110 | 114 | 135 | 141 | 128 | 122 | 170 | 192 | 201 | 201 | 112 | 113 |
| Feb. | 88 | 121 | 134 | 128 | 125 | 112 | 117 | 122 | 122 | 115 | 116 | 110 | 115 | 136 | 142 | 129 | 123 | 175 | 197 | 203 | 202 | 111 | 112 |
| Mar. | 88 | 122 | 134 | 129 | 125 | 113 | 118 | 123 | 123 | 116 | 117 | 111 | 116 | 137 | 143 | 130 | 124 | 172 | 201 | 204 | 205 | 111 | 112 |
| Apr. | 88 | 122 | 134 | 129 | 125 | 112 | 118 | 123 | 122 | 116 | 117 | 111 | 117 | 137 | 146 | 129 | 126 | 173 | 202 | 200 | 202 | 110 | 112 |
| May | 88 | 122 | 133 | 130 | 125 | 113 | 119 | 124 | 124 | 117 | 118 | 111 | 117 | 137 | 147 | 129 | 127 | 174 | 205 | 199 | 203 | 110 | 112 |
| June | 88 | 123 | 136 | 130 | 125 | 114 | 119 | 125 | 126 | 117 | 118 | 112 | 117 | 139 | 149 | 132 | 128 | 175 | 206 | 201 | 207 | 110 | 112 |
| July | 88 | 124 | 134 | 130 | 124 | 114 | 120 | 126 | 126 | 118 | 118 | 113 | 117 | 139 | 150 | 132 | 128 | 178 | 209 | 200 | 209 | 110 | 111 |
| Aug. | 88 | 124 | 137 | 131 | 125 | 115 | 121 | 127 | 126 | 118 | 118 | 113 | 118 | 140 | 152 | 132 | 129 | 180 | 215 | 204 | 212 | 110 | 112 |
| Sept. | 88 | 124 | 136 | 131 | 125 | 115 | 120 | 128 | 128 | 119 | 118 | 112 | 118 | 140 | 151 | 134 | 129 | 181 | 217 | 205 | 209 | 111 | 112 |
| Oct. | 88 | 125 | 137 | 131 | 124 | 115 | 121 | 128 | 129 | 120 | 119 | 112 | 119 | 141 | 151 | 136 | 128 | 180 | 217 | 208 | 212 | 111 | 114 |
| Nov. | 88 | 125 | 137 | 132 | 124 | 116 | 121 | 130 | 130 | 121 | 120 | 113 | 119 | 142 | 152 | 136 | 129 | 184 | 219 | 208 | 216 | 112 | 115 |
| Dec. | 88 | 126 | 138 | 132 | 125 | 116 | 122 | 130 | 130 | 122 | 120 | 113 | 119 | 143 | 156 | 138 | 128 | 184 | 218 | 209 | 219 | 112 | 114 |
| Jan. | 89 | 126 | 139 | 133 | 125 | 117 | 124 | 131 | 131 | 122 | 120 | 112 | 119 | 144 | 159 | 140 | 128 | 185 | 219 | 212 | 218 | 112 | 115 |
| Feb. | 89 | 127 | 139 | 133 | 125 | 118 | 125 | 132 | 131 | 123 | 119 | 113 | 119 | 144 | 161 | 141 | 128 | 184 | 219 | 213 | 213 | 112 | 116 |
| Mar. | 89 | 127 | 138 | 133 | 125 | 118 | 126 | 133 | 131 | 123 | 119 | 112 | 118 | 148 | 159 | 141 | 129 | 186 | 226 | 214 | 219 | 112 | 116 |
| Apr. | 89 | 127 | 138 | 133 | 125 | 118 | 126 | 133 | 130 | 123 | 119 | 112 | 117 | 145 | 159 | 144 | 128 | 185 | 223 | 211 | 217 | 111 | 117 |
| May | 89 | 127 | 138 | 134 | 124 | 118 | 126 | 134 | 132 | 123 | 120 | | 118 | 145 | 156 | 142 | 130 | 188 | 223 | 210 | 216 | 110 | 118 |
| June | 89 | 128 | 138 | 134 | 124 | 119 | 126 | 134 | 132 | 123 | 119 | | 119 | 146 | 157 | 147 | 129 | 187 | 227 | 213 | 215 | | 118 |
| July | 89 | 127 | 136 | 134 | 125 | 119 | 128 | | 130 | 124 | 119 | | 120 | 146 | 156 | 147 | 127 | 188 | 228 | 215 | 217 | | 116 |
| Aug. | 89 | 128 | 139 | | | 121 | | | 132 | 125 | | | | | | | | 190 | 231 | | | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| Jan. | 88 | 5 | 4 | 7 | 6 | 3 | 3 | 8 | 2 | 9 | 1 | 6 | -2 | 8 | 11 | 7 | 4 | 4 | 9 | 18 | 16 | -2 | -4 |
| Feb. | 88 | 6 | 4 | 6 | 5 | 4 | 3 | 8 | 4 | 8 | 0 | 6 | 0 | 9 | 9 | 8 | 5 | 8 | 12 | 18 | 14 | -3 | -5 |
| Mar. | 88 | 6 | 3 | 7 | 5 | 4 | 3 | 8 | 4 | 8 | 1 | 6 | 2 | 9 | 9 | 9 | 6 | 4 | 14 | 15 | 15 | -3 | -5 |
| Apr. | 88 | 6 | 2 | 6 | 4 | 3 | 4 | 7 | 3 | 7 | 0 | 6 | 2 | 8 | 10 | 6 | 6 | 4 | 12 | 10 | 9 | -3 | -5 |
| May | 88 | 5 | 1 | 6 | 3 | 4 | 4 | 7 | 4 | 7 | 1 | 6 | 3 | 7 | 10 | 5 | 8 | 4 | 14 | 7 | 9 | -3 | -4 |
| June | 88 | 6 | 4 | 6 | 3 | 4 | 4 | 8 | 7 | 7 | 2 | 6 | 3 | 8 | 10 | 8 | 7 | 5 | 12 | 7 | 11 | -3 | -3 |
| July | 88 | 5 | 1 | 5 | 1 | 3 | 5 | 8 | 6 | 7 | 2 | 7 | 3 | 7 | 11 | 8 | 6 | 6 | 13 | 5 | 11 | -3 | -4 |
| Aug. | 88 | 5 | 5 | 5 | 1 | 5 | 5 | 8 | 6 | 6 | 2 | 5 | 4 | 7 | 11 | 6 | 8 | 8 | 17 | 7 | 13 | -3 | -2 |
| Sept. | 88 | 4 | 3 | 5 | 1 | 4 | 4 | 9 | 8 | 7 | 2 | 4 | 3 | 7 | 8 | 9 | 6 | 8 | 16 | 6 | 7 | -2 | -1 |
| Oct. | 88 | 5 | 3 | 4 | 0 | 3 | 4 | 7 | 9 | 7 | 2 | 3 | 4 | 6 | 7 | 9 | 3 | 6 | 15 | 7 | 9 | -1 | 1 |
| Nov. | 88 | 4 | 4 | 4 | 0 | 4 | 4 | 8 | 9 | 7 | 5 | 4 | 4 | 7 | 7 | 8 | 5 | 10 | 14 | 7 | 10 | 1 | 4 |
| Dec. | 88 | 4 | 5 | 4 | 0 | 5 | 6 | 8 | 8 | 7 | 3 | 4 | 3 | 7 | 12 | 10 | 3 | 8 | 11 | 6 | 11 | 1 | 3 |
| Jan. | 89 | 4 | 5 | 4 | 1 | 5 | 7 | 9 | 8 | 6 | 4 | 1 | 3 | 7 | 14 | 11 | 3 | 9 | 10 | 8 | 9 | 2 | 4 |
| Feb. | 89 | 5 | 4 | 4 | 0 | 5 | 8 | 8 | 6 | 7 | 2 | 1 | 2 | 6 | 14 | 12 | 2 | 6 | 8 | 8 | 3 | 2 | 4 |
| Mar. | 89 | 4 | 2 | 3 | 1 | 5 | 8 | 8 | 6 | 6 | 1 | -1 | 1 | 11 | 10 | 10 | 2 | 7 | 12 | 8 | 8 | 1 | 5 |
| Apr. | 89 | 4 | 2 | 3 | 0 | 5 | 8 | 7 | 3 | 5 | 1 | -1 | -1 | 5 | 7 | 13 | 0 | 5 | 7 | 4 | 5 | -1 | 6 |
| May | 89 | 4 | 2 | 3 | 0 | 4 | 7 | 7 | 5 | 5 | 1 | | -1 | 4 | 3 | 8 | 3 | 6 | 6 | 2 | 3 | -2 | 7 |
| June | 89 | 3 | 0 | 3 | -1 | 5 | 6 | 7 | 5 | 4 | 0 | | 1 | 5 | 4 | 13 | 1 | 4 | 9 | 4 | 1 | | 6 |
| July | 89 | 2 | -2 | 2 | 0 | 4 | 8 | | 1 | 4 | 0 | | 2 | 4 | 1 | 11 | -3 | 5 | 8 | 6 | 2 | | 2 |
| Aug. | 89 | 3 | 2 | | | 6 | | | 3 | 5 | | | | | | | | 6 | 8 | | | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 | 2 | 2 |